101-21

METROPOLITAN STATISTICAL AREAS

HEARING

BEFORE THE

SUBCOMMITTEE ON
CENSUS AND POPULATION

OF THE

COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

H.R. 1211

A BILL TO REQUIRE THAT THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET INCLUDE A REFERENCE TO EASTON, PA, IN THE OFFICIAL TITLE OF THE METROPOLITAN STATISTICAL AREA OF WHICH IT IS A PART

JUNE 27, 1989

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METROPOLITAN STATISTICAL AREAS

TUESDAY, JUNE 27, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CENSUS AND POPULATION,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:10 a.m., in room 311, Cannon House Office Building, Hon. Thomas C. Sawyer (chairman of the subcommittee) presiding.

Mr. SAWYER. Good morning.

Today the Subcommittee on Census and Population will review legislation to require that the Director of OMB include a reference to Easton, PA, in the title of the Allentown-Bethlehem Metropolitan Statistical Area.

The Office of Management and Budget is responsible for establishing the criteria that define MSAs. Every 10 years, before the census, OMB reviews the criteria to determine if changes are warranted. The population counts and other data from the census then will determine which areas meet the requirements for MSA designation.

The concept of an MSA, defined by specific criteria, was developed to enable Federal agencies to collect information about urban areas in a consistent manner. The MSA definitions also are used to determine eligibility and benefit levels in certain Federal programs.

Over the years, businesses, advertisers, the media and other private sector participants have come to rely on MSA designation as a means of identifying potential markets.

The designation of an urbanized area as an MSA is strictly a statistical undertaking. To be included in a MSA, cities or counties must meet specified criteria relating to population size, density, and labor force commuting patterns, which distinguish a metropolitan area in character from other geographic areas.

The OMB criteria permit the inclusion of up to three central cities in the title of an MSA, provided that the second and third cities are at least one-third the size of the largest city in population.

Sometime ago, the city of Easton met this standard and was included in the title of the Allentown-Bethlehem MSA. Due to a loss in population, however, Easton failed to meet this requirement following the 1980 census and, thus, was dropped from the title of the MSA.

H.R. 1211 would require OMB to include Easton in the title of the Allentown-Bethlehem MSA, notwithstanding this failure to

meet the current established standards for inclusion in the title. This proposal raises a broader question for the subcommittee's consideration: What effect, if any, does legislative interference with the process of defining MSAs have on the statistical integrity of the MSA in this specific case, and, more generally, as a concept, as well as on the use of MSA designations by both the public and private sectors.

I hope witnesses this morning will help us answer that question.

In addition to the witnesses that we have, Senator Specter and Senator Heinz have submitted statements for the record.

[The statements of Senators Specter and Heinz follow:]

TESTIMONY BEFORE THE HOUSE POST OFFICE AND CIVIL SERVICE

SUBCOMMITTEE ON CENSUS AND POPULATION

June 27, 1989

BY SENATOR ARLEN SPECTER

Mr. Chairman, thank you for the invitation to testify during this important hearing on legislation to require the Office of Management and Budget to include Easton, Pennsylvania, in the Allentown-Bethlehem "Metropolitan Statistical Area," referred to as a "MSA." While I am unable to testify in person in light of my schedule in the Commonwealth, which includes Open House/Town Meetings in Towanda, Williamsport and Milton today, I am pleased to have this opportunity to submit a prepared statement for the record.

The City of Easton, Pennsylvania, is a vibrant, growing community with pride in its standing among its regional counterparts. Unfortunately, however, the Federal government does not recognize this standing.

Due to geo-political boundaries, the city of Easton has not been in a position to include in its population count the metropolitan area which the city serves, giving the city a limited population

for statistical purposes. The Office of Management and Budget (OMB) ruled that only cities with one-third the population of the largest city in a certain area be included in that area's Metropolitan Statistical Area (MSA) title. The OMB ruled in 1983 that the title of the Lehigh Valley's MSA was inaccurate and found it necessary to remove the 'E' from the title 'A-B-E'. While the move seemed, at the time, a natural adjustment under the rules of OMB, it was not seen and is not seen by residents of Easton as a fair evaluation of their metropolitan area. The city of Easton always has been recognized as a significant part of the Lehigh Valley and, therefore, should be included in the MSA title, contrary to federal regulations.

Mr. Chairman, the revision of the Office of Management of Budget's guidelines for determining Metropolitan Statistical Areas is recognized as a growing concern. Many believe that these efforts to broaden criteria for MSAs have transferred an innocent statistical listing method into that of lost faith in quality metropolitan statistics. It is important to note that the issue before us regarding Easton is not intended to change OMB's criteria for determining inclusion or exclusion of a metropolitan area in a MSA designation. Rather the issue before us is merely the adjustment of an oversight by placing Easton back in the title of the Metropolitan Statistical Area of which it is a part.

While the the city of Easton has not and will not suffer direct losses due to the inaccurate title of its MSA, the city fears that the omission of its name in the MSA will diminish its visibility to businesses and other economic development projects. In addition, the local residents' deep desire to be recognized in this way is testament to the enormous pride they have in their community and their desire to be recognized as an equal partner in the Lehigh Valley.

In response to this situation, I joined Senator Heinz on January 31, 1989, in sponsoring S. 291, a bill to require the Director of Office of Management and Budget to include a reference to Easton in the official title of the MSA of which it is a part. In addition, Congressman Don Ritter also reintroduced legislation (H.R. 1211) to address this matter. It is my hope that these bills will move quickly through the legislative process in an attempt to remedy the inequity placed on the city of Easton.

Mr. Chairman, I thank the Subcommittee for considering this important issue. I commend Congressman Ritter in making this hearing possible as an additional and positive step forward in the effort to create a MSA designation that is completely accurate in describing the Lehigh Valley. I look forward to working with you to replace the "E" in "A-B-E."

STATEMENT OF SENATOR JOHN HEINZ
HEARING TO RESTORE EASTON, PA, TO THE MSA TITLE
27 JUNE 1989

MR. CHAIRMAN, I APPRECIATE YOUR CONSIDERATION OF THE LEGISLATION TO CORRECT WHAT I BELIEVE TO BE AN UNFAIR AND UNWARRANTED SITUATION FOR THE MORE THAN 26,000 RESIDENTS OF EASTON, LOCATED IN EASTERN PENNSYLVANIA.

MR. CHAIRMAN, THE PROBLEM IS THIS. THE CITY OF EASTON IS A VITAL COMMUNITY OF HARD WORKING AND JUSTIFIABLY PROUD PEOPLE. BUT IT HAS BEEN STRICKEN FROM THE OFFICIAL TITLE OF THE METROPOLITAN STATISTICAL AREA [MSA] OF WHICH IT IS A PART. IN TAKING THIS ACTION, THE OFFICE OF MANAGEMENT AND BUDGET [OMB] HAS EFFECTIVELY MADE THE CITY OF EASTON "UNOFFICIAL".

EASTON IS ONE OF THE THREE MAJOR POPULATION CENTERS MAKING UP THE LEHIGH VALLEY, INCLUDING ALLENTOWN AND BETHLEHEM. ALL THREE ARE CONTIGUOUS AND JUST MINUTES FROM EACH OTHER BY CAR. THE INTERNATIONAL AIRPORT SERVING THIS REGION INCLUDES ALLENTOWN, BETHLEHEM AND EASTON IN ITS DESIGNATION. DESPITE ALL OF THIS, EASTON IS NOT IDENTIFIED AS A PART OF THE MSA FOR CENSUS-TAKING PURPOSES. OMB, IN THEIR ADJUSTMENT OF THE CLASSIFICATION, HAS SUCCEEDED IN CREATING A DESIGNATION WHICH IS ONLY TWO-THIRDS ACCURATE IN DESCRIBING THE AREA.

MR. CHAIRMAN, I WANT TO POINT OUT THAT THIS EXCLUSION -- WHILE NOT AMOUNTING TO TOO MUCH IN TERMS OF OMB'S METHODOLOGY -- CERTAINLY HAS MADE THE PEOPLE OF EASTON FEEL AS THOUGH THEY HAVE TAKEN A BACK SEAT TO THE TWO LARGER SURROUNDING COMMUNITIES IN THE LEHIGH VALLEY. THE RECENT ESTIMATES AVAILABLE INDICATE THAT ALLENTOWN HAS A POPULATION OF 103,758; BETHLEHEM HAS A POPULATION OF 70,419; AND EASTON'S POPULATION IS 26,027. BEING THE SMALLEST IN POPULATION OF THE THREE COMMUNITIES DOES NOT JUSTIFY A DIMINUTION OF EASTON'S STATUS.

CONGRESSMAN DON RITTER AND I HAVE EACH INTRODUCED LEGISLATION IN OUR RESPECTIVE BODIES. THE LEGISLATION WHICH I INTRODUCED, S. 291, IS IDENTICAL TO A BILL I SPONSORED IN THE 100th CONGRESS. IT IS DESIGNED TO CORRECT THIS SITUATION BY REQUIRING OMB TO INCLUDE EASTON IN THE OFFICIAL TITLE OF THIS PENNSYLVANIA MSA. THE INTENT OF THIS BILL IS NOT TO SEEK POSSIBLE GAINS, BUT TO RESTORE EASTON TO ITS RIGHTFUL PLACE IN THE OFFICIAL DESIGNATION OF THE LEHIGH VALLEY.

I ESPECIALLY WANT TO COMMEND MY COLLEAGUE, DON RITTER, FOR THE SUPERIOR WORK HE IS DOING IN CHAMPIONING THIS INITIATIVE IN THE HOUSE OF REPRESENTATIVES, AND I LOOK FORWARD TO WORKING WITH HIM, AND MY SENATE COLLEAGUES IN SECURING PASSAGE OF THIS LEGISLATION TO PUT THE "E" BACK INTO THE A-B-E -- ALLENTOWN/BETHLEHEM/ EASTON IN THE MSA TITLE IN THE VERY NEAR FUTURE.

THANK YOU VERY MUCH, MR. CHAIRMAN.

Mr. SAWYER. Mr. Ridge.

Mr. RIDGE. Thank you, Mr. Chairman.

First of all, I'd like to thank you publicly for scheduling this very important session at the request of our friend and colleague from the area, Congressman Don Ritter.

I would also like to welcome him. Having listened to him about this issue on the floor for umpteen times, I'm delighted that we can finally put it into a formal structure and appropriately before this subcommittee.

I'd also like to extend my greetings and appreciation of all the panelists for participating in this hearing as well.

As the 1990 decennial census approaches, many questions must be answered to assure the integrity of the statistics gathered. We must all realize, however, that statistics do not occur in a vacuum. They have a direct impact on the lives of all whom they measure.

Earlier, the statistical functions of our government are coordinated with the census and thus must be reviewed at this time.

H.R. 1211, under consideration this morning, raises the issue of the collision between the science of statistics and the needs and desires of the citizens of specific communities. These statistics are used by these people and by industries and businesses to anticipate potential growth. In this and many other ways, the lives of workers and potential workers are affected by the collection of that data.

Today we will hear testimony on this human element of Metropolitan Statistical Areas in conjunction with the statistical integrity of that data.

As a fellow Pennsylvanian, I'm concerned over the economic and cultural implication of the abstinence of any reference to Easton and the Allentown-Bethlehem Metropolitan statistical area, I look forward to gaining a new insight into this issue.

I've talked to our colleague, Congressman Ritter, on many occasions, as I mentioned before, Mr. Chairman, about this. We both understand the need to preserve some kind of a national uniform designation but we are hopeful that there might be some way we could adjust it, perhaps with a criteria—to take into consideration the history and the geography and the desires of the people in the community.

I thank you very, very much for scheduling this hearing and look forward to the testimony of all those involved.

Mr. SAWYER. Thank you very much.

Congressman Ritter, it's a pleasure to have you here this morning and to have the testimony of those who join you from the Easton area. I look forward to hearing what you have to say.

STATEMENT OF HON. DON RITTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. RITTER. Thank you, Mr. Chairman.

If I might, I would like to welcome to the witness table—if I could have the consent of the chairman and the subcommittee—my colleagues from Easton, PA.

Mr. SAWYER. Without objection.

Mr. RITTER. Bruce Frassinelli, the editor of the Easton Express; the Hon. Sal Panto, the mayor of the city of Easton, and Mike Dowd, the executive vice president of the chamber of commerce.

Mr. Chairman, I really would like to thank you you for the opportunity to come and testify here today. This means a great deal to me, it means a great deal to my constituents, and I also want to thank the members of the subcommittee, in particular, Congressman Ridge, my colleague from Pennsylvania, who has shown an acute interest in our portion of the State. He is from the western part of Pennsylvania; sometimes they say that other State—western PA. But he has been extremely interested in Pennsylvania issues, and this being one of them, he has shown that he can be helpful as well.

I'd like to say that I appear today not only on behalf of the 26,000 of my constituents—the citizens of the City of Easton—who feel they have been done an injustice by the Federal Government, but also on behalf of the citizens of the entire Allentown-Bethlehem-Easton area, who are wondering what in heaven's name the Federal Government is doing on this issue, and why Easton has been removed from the Metropolitan Statistical Area definition.

In 1980, the city of Easton was dropped from the title of the Allentown-Bethlehem-Easton Metropolitan Statistical Area because of an obscure rule, which states that the titles of MSAs must include up to three central cities of the MSA, but any second and third cities must be at least one-third the population size of the largest city.

OMB notes in its testimony submitted to the subcommittee that, "Both public and private decision-makers rely on the maintenance of established statistical standards and definitions to provide consistent data."

Mr. Chairman, I could not agree more.

If the true goal of these standards is to provide consistent data, then Easton must be included in the title of the MSA. Easton is the exception that proves the rule. It may not be one-third the size of Allentown—by a small amount; Allentown has a population of about 100,000—but it is inseparably tied by history, over 200 years, to its two sister cities.

There are over 50 businesses in the area that carry A-B-E as part of their names: an affirmation of the facility of identification. Even one of our major local radio stations, WAEB, reflects the economic, civic, and cultural ties between the three cities.

The mayors of Allentown, Bethlehem, and Easton meet regularly to discuss common problems, such as waste disposal, sewage, rods, and drugs.

In 1983, after Easton was dropped from the title of the MSA, WAEB didn't change its call letters and those 50-plus businesses didn't change their names. Advertisers, realtors, retailers—any corporation looking to relocate in the Lehigh Valley needs to know that the E in A-B-E reflects the historic, cultural, geographic and economic ties between the three cities.

We also have an airport—the Allentown-Bethlehem-Easton Airport, which serves our area.

Mr. Spar from Market Statistics has submitted testimony stating that "adding Easton to the title of the MSA does nothing to aid in

the description in terms or size or type of area." But nothing could be further from the truth. He uses the example that even though the cities of Kent and Barberton are designated central cities in the Akron MSA, it would not make sense to have the area labeled Akron-Kent-Barberton.

Mr. SAWYER. Your example was chosen at random.

Mr. RITTER. Yes, this is the home area of the chairman of the subcommittee.

Mr. Chairman, as former mayor of Akron, I'm sure you would agree that the city of Akron, by itself, best describes and aids in our understanding of the area.

However, this is not the case with the Allentown-Bethlehem-Easton MSA.

If, as Mr. Spar writes, "one of the purposes of an MSA title is to aid in the description in terms of size or type of area," then Easton should be included in the title. The cities of Allentown-Bethlehem and Easton best describe and aid in our understanding of the area.

There is a virtual east/west continuity between Allentown, Bethlehem and Easton. I'd like to direct you to the map of the tri-city area.

[Map shown]

[The map which was discussed follows:]

2 ALLENTOWN — BETHLEHEM — EASTON

Mr. RITTER. The path of the Lehigh River led to the linked of three cities. Over the years, through development, the spaces between the cities—the major yellow areas here is being filled. In particular, this area, this white area between Bethlehem and Easton is being filled, and filled rapidly. There's already quite a continguousness between Allentown and Bethlehem and this shortly will be as filled as the Allentown-Bethlehem area, if not already.

If we look down the road a few years, with the way our area has been changing, we see further blurring of the boundaries between the three cities as the in between areas grow and the gaps disappear.

Would OMB want to call the eastern end of that corridor city "Bethlehem East" and deny 200-plus years of history?

OMB is concerned that instead of resolving one issue, acceding to the request will sow the seeds for additional request to OMB and to the Congress to grant exemptions.

I appreciate the budget office's concern. I would express the same concern. But unlike similar bills seeking to change MSAs, this one has no hidden agenda. There's no money involved here. There are no dollars. The population of Easton is already included in the Allentown-Bethlehem-Easton MSA.

All H.R. 1211 would do is to add a reference to Easton in the title of the MSA, to which it already belongs. H.S. 1211 doesn't seek to redesignate the MSA and, therefore, will not alter determinations about eligibility and benefit levels in Federal programs. There are no funding questions here. No real financial impact.

OMB is the only entity in America which is denying us our birthright designation, so to speak. This is a natural urban area consistently referred to as the third major metropolitan area in Pennsylvania—after Philadelphia and Pittsburgh. Because of the application of a bureaucratic rule, OMB seeks to deny this heritage.

OMB is currently reviewing the standards used to define Metropolitan Statistical Areas. I welcome that, and I encourage them to adopt standards which allow rules to be applied in such a way that doesn't hurt those they seek to serve.

OMB has informed me that they expect to announce a public comment period on these standards later this summer. Great. At that time, we will submit a statement into the record proposing a change in the standards for titling MSAs. Although these standards will take effect in April 1990, the new census figures will not be published until sometime in 1993. This is 1989. Four years is too long for the people of Easton to wait. But perhaps we can work out a compromise whereby the change could occur earlier.

A kinder, gentler Federal Government realizes there are sometimes subtle differences during the application of rules which need attention—that our very reason for being is to satisfy the people and enhance the quality of their lives. My colleagues, little things mean a lot. Not just a song title, it should be a way of life for public servants.

The people of Allentown and Bethlehem concur that the title of the MSA should include a reference to Easton. The mayors and the presidents of the chambers of commerce in Allentown and Bethlehem will be submitting statements into the record to that effect.

Given this level of local consensus on this issue, I ask the indulgence of the subcommittee to accede to the wishes of our constituents.

To summarize, OMB's opposition and Mr. Spar's opposition to H.R. 1211 is based on the need to maintain consistent statistical standards. I don't argue with that laudable aim. But statistics have a number of different purposes, one being to recognize the things that are really important to us, and not to override important human concerns.

And to the people of Allentown, Bethlehem, and Easton, the designation of A-B-E is a de facto standard, and one that should be recognized by the Federal Government.

Mr. Chairman and members of the subcommittee, I hope you will act favorably on H.R. 1211 and I appreciate your taking the time to allow me to testify today.

Thank you very much.

Mr. SAWYER. Thank you very much, Congressman Ritter, that was a passionate statement.

I can appreciate the character of your concern, as one who was charged with speaking directly on behalf of an urban community, that the sense of perception is extraordinarily important. And the way in which you are able to both portray and develop in an orderly and coordinated fashion, not only your own community but your relationships with your fellow communities within the region.

Mr. RITTER. I want to again thank you. I think you can see the specifics of this problem because you had to face it to some extent in your own area. And perhaps you can see that the closeness between Easton, Bethlehem, and Allentown along this Lehigh River is one that's historical. It's not something that came with the creation of some new roads and the invention of the automobile. It was there well before even modern sources of transportation were considered, and everybody uses the Lehigh River.

Mr. SAWYER. We had planned to have your testimony first because we thought that you had to be in two places at one time. Does that problem still apply?

Mr. RITTER. That problem is temporarily removed and I would like to listen to the testimony of my colleagues.

Mr. SAWYER. There's no reason we can't be flexible on the way we build testimony today.

You have a third witness that you want to join you on the panel?

Mr. RITTER. Yes.

Mr. SAWYER. Would you care to introduce your witnesses for us, please, for the record?

Mr. RITTER. The witnesses who will be testifying: first, Hon. Sal Panto, the mayor of the city of Easton; second will be Michael Dowd, the executive director of the regional chamber of commerce, and third will be Bruce Frassinelli, the managing editor of the Easton Express newspaper.

Mr. SAWYER. With that, Mr. Mayor, if you would care to proceed; we're glad to have you here.

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STATEMENT OF SALVATORE J. PANTO, JR., MAYOR OF EASTON, PENNSYLVANIA

Mr. PANTO. Thank you, Congressman Sawyer.

Congressman Ridge, thank you for taking this time to be with us. I know both of your schedules are extremely hectic.

As Congressman Ritter pointed out, we were founded in 1752 and the city of Easton played an important role in the shaping of our country. By 1776, we had made such an impact that Easton was one of only three cities chosen for the public reading of the Declaration of Independence—of course, Philadelphia, the city of Trenton, and our city on July 18, 1776.

The 19th century brought prosperity and growth to our community. Located at the junction of three important industrial canals, we became a key center of trade and commerce. Many historians believe that Easton was the birthplace of the industrial revolution in America.

Just recently, Congress passed a bill designating this canal/rail corridor as a National Heritage Corridor, and we certainly thank your good Congressman for that and all those Congressmen who supported that bill. It is a key part of America's heritage.

At the turn of the 20th century, Easton was the largest of the three sister cities of the Lehigh Valley. We had about 8,000 population and were exceeded by Allentown and Bethlehem by at least 2,000 each. Unfortunately, while Allentown and Bethlehem were expanding their borders, Easton remained its original size, except for the annexation of the Borough of South Easton.

Today we refer to our metropolitan area as the Easton Area due to the fact that seven municipalities comprise the community which most people refer to as Easton. Even their mailing address is Easton.

To understand the geopolitical problems in Pennsylvania, as I'm sure Congressman Ridge does, you would really have to live in this great State of ours. We have more than 2500 communities and the average population is less than 10,000. Basically there are no annexation laws on the books of Pennsylvania since the Constitutional Convention in the late 1960s.

The Lehigh Valley is the third largest market in Pennsylvania and is a metropolitan area made up of the three sister cities of Allentown, Bethlehem, and Easton, as the map designates.

Although Easton's demise and decline in the 1960's and 1970s were severe, I'm happy to report to you today that many factors have caused this decline to reverse dramatically. We're basically going through a complete metamorphosis. Since 1984, we have experienced more than $80 million worth of economic development in our city, largely through the support of Congress where we received three UDAG programs and one HODAG grant in 1985 and 1986. These four grants totaled more than $1.8 million and had a return of approximately $8 million in total development investment.

They have helped to spur an economic growth period which we have not witnessed since the industrial revolution.

Most importantly, since 1985, our population has begun to increase largely through our attractive real estate market by people

commuting from New York and New Jersey on the soon to be completed Interstate 78. So you see, the Federal Government can certainly take credit for a large part of Easton's growth.

I'm sure you will agree also that this is not a normal occurrence for a Northeast city to actually have a population increase. But at the present time, we probably have approximately 29,000 citizens and we're still growing.

I might point out that in our community right now we have on the drawing board almost 800 new homes. This is probably the most significant residential growth since World War II.

My objective here today is not to talk about the rules and exceptions which may have been granted other cities in the MSA designations, but rather to present evidence which substantiates our request because statistics are statistics. They don't necessarily reflect the character of a community.

With me today I have the endorsement of both the mayor of Allentown and the mayor of Bethlehem. I might point out for partisan politics that one is a Republican and one is a Democrat, therefore, you can see that this is not a political issue, but rather, a people issue, in dealing with our community.

In addition, I have a resolution from the community partnership which is made up of all the CEO's of the major industries in Lehigh Valley plus the three mayors who serve as ex officio mayors of Allentown, Bethlehem and Easton.

I have also included many other materials which show how the three cities of Allentown, Bethlehem, and Easton promote the Lehigh Valley. Even our airport is known, as Congressman Ritter pointed out, as the A-B-E International Airport.

Just recently, in an effort to provide comprehensive solid waste management, the three cities formed the Lehigh Valley Solid Waste Authority. It might be interesting to note that on that authority the city of Easton has the same number of representatives as our larger sister city of Allentown. So you see that this is really one community, it is one metropolitan area.

I have also included not only promotional materials, but also a sampling of the many joint proclamations which the three mayors issue each year, most recently against the Government of China for the chaos that has occurred over there.

In addition to the proclamations, we make joint appearances and serve as honorary chairmen of many charitable fundraisers.

The city of Easton is an integral part of the Lehigh Valley. We work hand-in-hand with Allentown and Bethlehem to increase the quality of life in our community. We have worked hard to make ourselves worthy of our listing in the MSA with Allentown and Bethlehem. There may have been merit to remove us in the early 1980's but today you would have a truly arduous task to find a city more deserving to be reinstated.

We are not asking for a new MSA designation—simply an inclusion in the existing MSA to more accurately describe our metropolitan area.

Gentlemen, ladies, thank you for your consideration in this matter and I appreciate the opportunity to appear before you today.

Mr. SAWYER. Thank you very much, Mayor Panto.

Mr. SAWYER. Mr. Dowd.

STATEMENT OF J. MICHAEL DOWD, EXECUTIVE VICE PRESIDENT, TWO RIVERS AREA CHAMBER OF COMMERCE

Mr. DOWD. Congressman Sawyer, Congressman Ridge, thank you very much for affording me the opportunity to spend some time with you this morning and particularly to convey to you a message which is of particular interest to the business community in the Greater Easton area.

It is an issue which we believe is going to have a significant bearing upon our economic, cultural and social future, so I thank you for these minutes of time.

Some of our remarks, I think, are going to be repetitive. We've attempted to not do that but I think because of the nature of our discussion, some of our remarks may well be, and I'll do my best to eliminate that.

Mr. SAWYER. Your remarks, of course, will be included in their entirety in the record, so feel free to abbreviate as you choose.

Mr. DOWD. I think one of the most particular important factors is that certainly when one begins to investigate information about the Easton area, it's particularly difficult for people to find today. We regularly have individuals who are seeking to relocate, looking to secure new employment, or, in fact, are coming to work for local corporations, and we will get regular calls from people saying, where do I find information about Easton? They are really unaware of the fact that Easton data is currently included within the MSA.

We can only infer from that, that if that is the case of individuals, that also must be true with corporations who are seeking to relocate and expand their own operations.

We do get some references to Northampton County, but regularly we believe people are bypassing, in fact, our market, and looking at our sister cities of Allentown and Bethlehem.

In my remarks and the mayor's remarks we have spoken about the Easton area. There's a particularly important point to make. We are in fact an aggregation of seven municipalities. Historically, Allentown and Bethlehem were able to secure several mergers with surrounding townships and boroughs. We have not been able to do that. But in fact there is a region—called the Two Rivers Region, referring to the Lehigh and Delaware Rivers—that includes 58,000 people. We are in about a 3-mile radius from downtown Easton only on the Pennsylvania side of the border. If we would extend that into New Jersey, we would be adding another 12 to 15,000 people, and now we're looking at a population base of roughly 70,000.

This really is a uniform and united market. We have really one school district that services the region, one telephone exchange which services the region, one post office—zip code 18042, which designates the region. Congressman Ritter referred to 58 businesses across the Lehigh Valley, which refer to A-B-E. I think that's also indicative of the fact that the Lehigh Valley is a united community. There are only eight, that talk about A-B or Allentown and Bethlehem.

There's a remarkably strong sense of geographic integrity within the Lehigh Valley. This region that the Congressman referred to is expanding at a phenomenal rate. Throughout the Easton area right now there are 8,000 new home starts planned. That's a remarkable increase in our community.

I brought along a recent article in the New York Times, in fact, published last Monday—which refers to the enormous population growth in Northampton County and particularly the Easton area. This experience is going to continue as people commute back to New Jersey to work.

There's a business integration across the Lehigh Valley. Our three chambers—Allentown, Bethlehem, and Easton—work together on a continuing basis. We have recently developed two new programs—one the mayor has referred to, the Lehigh Valley Partnership, the gathering of the principal CEO's of major corporations in the Lehigh Valley.

We have also developed a new program called Leadership Lehigh Valley, an investment of about $50,000 on the part of our chambers to develop an integrated Lehigh Valley new tier of young leaders. I think that testifies to the fact that we are one community.

I have also brought along a copy of a letter to Congressman Ritter from the Bethlehem Area Chamber of Commerce indicating that they, too, believe and endorse wholeheartedly the inclusion of Easton within that designation.

Our downtown has undergone a renaissance. We have been able to leverage the importance of a national historic district and to promote significant private sector development. The Mayor has referred to $8 million in development on four major projects. There are additional millions of dollars which have been leveraged with the use of CDBG funds in facade restorations by small investors, investors that have means more in my line rather than the means of a million dollars of private sector investment.

Easton is looking for a second national register historic district. And I think for a community of our size to have two is of particular recognition on the part of the Department of the Interior.

The National Historic Corridor Program, a program initiated by Congressman Ritter, I think is also indicative of the key role that Easton has played in our Nation's history.

I have provided for you—speaking about economic development—a series of tables which reflect some of the private sector investment that has occurred within our market within recent years. That's, frankly, only a view of the participation by a local industrial development authority in significant industrial development. So other tens of millions of dollars have occurred in the past several years.

Most particularly, the Congressman has referred to it and I know the Mayor has referred to it—A-B-E International Airport—and I know Mr. Frassinelli has some remarks with regard to that, but that is the opening to the Lehigh Valley, and I think indicative of the fact that the Valley itself perceives itself as being Allentown, Bethlehem and Easton.

Finally, I must emphasize this, we're not looking for a major change with regard to the MSA. We're not looking to include new data. We're not looking to become eligible for more Federal funds.

We're looking to establish the identity which we think we've earned historically and which we think is particularly important for economic future. It's a no-cost issue. And the Congressman has said, and I agree, there's no hidden agenda. We're simply earnestly seeking to establish the identify which we think we deserve.

Thank you.

Mr. SAWYER. Thank you very much, Mr. Dowd.

[The statement of Mr. Dowd follows:]

Two Rivers Area
Chamber Of Commerce

P.O. Box 637
157 South Fourth Street, Easton, Pa. 18044-0637
Phone: (215) 253-4211 (215) 258-2881

The Honorable Thomas C. Sawyer
Chairman
Sub-Committee on Census and Population
608 House Office Building Annex I
Washington, D.C. 20515-6245

Dear Representative Sawyer:

On behalf of the Two Rivers Area Chamber of Commerce I extend to you our thanks for providing us with this opportunity to share the importance of, and the justification for, including a reference to Easton, Pennsylvania, in the title of the Allentown-Bethlehem Metropolitan Statistical Area.

We believe that this is an issue which will bear significantly upon the economic and cultural future of the Greater Easton Area.

In a January 1989 article in American Demographics Andy Kissner of the Greater Las Cruces Economic Development Council stated that: "Being ranked with the 320 other MSAs gives you an identity. All sorts of people look at lists ranking the MSAs. So if you are not on that list, for many people you do not exist." Kissner went on to say, with reference to MSA data, "... numbers attract a lot of people who are looking for a hot investment spot." American Demographics in conclusion said," Millions of dollars worth of advertising, retail activity, real estate development, cultural events and industrial plants go only to communities that have MSA status."

Anyone seeking information about our community in census data presently does not find the name Easton listed and consequently finds it more difficult than necessary to gather information about our region. Corporations seeking to relocate may simply by-pass the Easton Area, while compiling information about our neighboring communities of Allentown and Bethlehem.

Throughout my remarks I will refer to the Easton Area rather than simply Easton. The Easton Area is somewhat unique in the Lehigh Valley. In the early portion of this century the cities of Allentown and Bethlehem were able to effect mergers with several surrounding townships and boroughs. In this fashion they were able to increase their

land area and population. Easton, for a variety of reasons, was unable to do so. Hence we refer to the Easton Area, an aggregation of seven Pennsylvania municipalities, with a population in excess of 58,000. This is a singularly important piece of data. Clearly this population would qualify for listing under your present criteria. All seven communities would be enclosed in an arc, with a radius of 3.5 miles, drawn to the north, west and south. If were we to extend that arc to the east and into New Jersey an additional 10,000 or more people would be added to the data.

While the region contains seven separate municipalities they are, for all intents and purposes, one community. Five of the municipalities share municipal water and waste water treatment facilities. After surveying Pennsylvania we believe that such joint ownership of the waste water treatment facility is unique in the Commonwealth. In addition the majority of the school age population attends a joint "Easton Area" school system.

There is a strong sense of geographic and economic cohesion among the three Lehigh Valley cities. As development accelerates along the east-west corridor there is virtually no distinction between them. Farm land between the cities of Bethlehem and Easton is rapidly being developed for residential, commercial and industrial purposes. Interstate 78 will open this fall and that coupled with the prospect of Pennsylvania Route 33 being extended to I-78 will create an unprecedented opportunity for development. The A-B-E designation is familiar, not only to residents, but to those who are acquainted with the area and those that do business here.

It is significant that there are 58 businesses in the Lehigh Valley which carry A-B-E as part of their names. There are but eight known as A-B. Clearly this indicates that the business community considers are region to be defined by the three city names.

I am pleased to report that the Bethlehem Area Chamber of Commerce has endorsed the return of the name Easton to the MSA and I will forward copies of their letter to you. We fully expect that the Allentown/Lehigh County Chamber of Commerce will formalize their endorsement in the immediate future.

The Easton Area continues to experience enormous economic growth. Since a short section of I-78 opened in New Jersey in 1986, improving the transportation linkage to New York City, our community experienced an influx of New York and New Jersey citizens. Plans are currently underway for nearly 8,000 new housing units in our area.

Our downtown has undergone a renaissance. Depressed in the late 1970's and early 1980's, as were many cities in the northeast, Easton has rebounded. We have been grateful for the assistance of Congressman Ritter in securing two UDAGs and one HODAG for important projects in our downtown area. These three projects alone represent an investment of more than $5 million. CDBG funds have been utilized to complete infrastructure improvements which have helped to fuel the fires of revitalization.

We have been able to capitalize on Easton's National Register Historic District, and have encouraged millions of dollars of private sector investment in downtown real estate development.

I might add that Easton is presently making application for a second National Register District, and has received a very positive response thus far. I think it is unique for a city of Easton's size to have two such districts. This reflects the richness of the community's history and the significance attached to Easton by the Department of the Interior.

In our presentation we have noted the significant role played by Easton in our nation's heritage. The development of the National Historic Corridor Program, introduced by Representative Ritter in cooperation with Representative Kostmayer will focus particular attention on Easton as a center of transportation in America's great period of industrial growth.

A recently developed 100 acre industrial park in Palmer Township has been completely sold and developed, and additional acreage is currently being prepared for sale. In order to give you a better feel for the development occurring in the Greater Easton Area I have provided you with table showing just a portion of our recent activity.

The location and name of A-B-E International Airport underscores the familiarity of travelers and their knowledge of this three city region.

We believe that there is justification for returning the name of Easton to the MSA designation. Is is a place which our community has occupied previously and one which we believe is appropriate today. I thank you for your time in hearing our presentation, and encourage you to find favorably on our behalf.

Very truly yours,

J. Michael Dowd
Executive Vice President

NEW BUSINESSES AND EXPANSIONS IN NORTHAMPTON COUNTY (9/1/87 TO 8/31/88)

Name	Line of Business	Project Amount	Amount and Type of Loan	New Jobs over 3 Yrs.	Size of Building	Location
Alpha Resources(N)	Recycles plastics	—	—	25	25,000 lse	Palmer Twp.
AltaGen Mfg., Inc.(N)	Refurbishes alternators and generators	127,000	15,000[4]	4	—	Bangor Boro.
Biopractic(N)	Mfrs. mineral ice products	—	—	15	14,000 lse	Hanover Twp.
Cali Sportswear Co.(E)	Mfrs. women's apparel	268,108	88,703[2] 45,350[3]	10	6,392	Plainfield Twp.
CECO Industries(N)	Mfrs. construction forms	—	—	12	12,000	L. Nazareth Twp.
Concern	Prof. services for youth	—	—	8	2,700 lse	Hanover Twp.
Easton Foam(E)	Mfrs. foam products	—	—	21	35,000 lse	Palmer Twp.
Easton Packing(E)	Processes wholesale meats	1,798,521	240,000[1]	18	17,600	Palmer Twp.
General Electric(E)	Appliance & service center	—	—	20	8,000 lse	Hanover Twp.
Glendon Energy(N)	Resource recovery	$47,880,000	$42,000,000[5]	40	25,000	Glendon Boro.
Grober, Inc. (N)	Mfrs. veal feed	184,910 (land cost only)	—	40	20,906	Hanover Twp.
Harris Graphics(E)	Commercial Printing	—	—	30 (p)	22,000 lse	Hanover Twp.
Heller Seasonings(N)	Mfrs. & stores seasonings	2,500,000	2,450,000[6]	49	35,000	Bethlehem & Hanover Twp.
Innovare, Inc.(E)	Mfrs. lab & industrial apparatus	88,000	11,300[4]	3	—	E. Allen Twp.
Inpaco(E)	Mfrs. packaging machinery	948,000	801,000[3]	20	7,700	Nazareth Boro.
Jodi Lynn Apparel Co.(E)	Mfrs. apparel	—	—	25	20,000	U. Nazareth Twp.
Lehigh Valley Post Office(N)	Branch of U.S. Postal Service	—	—	589*	305,250	Bethlehem Twp.
Henry S. Lehr, Inc.(E)	Insurance company	—	—	40 (p) 10 (n)	14,000	Bethlehem Twp.
Majestic Athletic Wear, Inc.(E)	Mfrs. athletic apparel	234,499	187,250[1]	20	—	Pen Argyl
M-B Sales(N)	Distr. novelty items	—	—	8	50,000 lse	Palmer Twp.
Merry Maid, Inc.(E)	Mfrs. women's apparel	71,875	35,000[1]	37	—	Bangor Boro.
Miller Fluid Power(N)	Mfrs. hydraulic systems	—	—	18	10,300 lse	Hanover Twp.
Micos Polymers & Grinding(N)	Grinds & recycles plastics	503,000	251,500[1]	29	21,500	Palmer Twp.
Oak Tree Industries(N)	Wood chipping operation	—	—	8	25,000 lse	Easton
Ocean Atlantic Textile Screen Printing, Inc.(N)	Prints t-shirts	1,160,000	464,000[1]	62	37,000	Bethlehem City
Pennsylvania Metallurgical, Inc.(E)	Industrial heat treating	350,000	240,000[1]	18	28,500	Bethlehem City
Re/Max 100(E)	Real estate brokers	—	—	12	5,100 lse	Hanover Twp.
Sears & Roebuck(N)	Distribution warehouse	—	—	6	40,000 lse	Stockertown
Service Master(E)	Cleaning service	—	—	6 (p)	3,200 lse	Hanover Twp.
SKF Component Systems(N)	Sales, engineering, & dist. center for assembly line parts	—	—	40	28,000 lse	Hanover Twp.
St. Luke Optifast Program(N)	Weight reduction operation	—	—	7	3,700 lse	Hanover Twp.
Sussex Wire(N)	Mfrs. wire forms & screw mach. parts	985,523	442,762[1]	58	23,800	Palmer Twp.
Tower Chemical(E)	Specialty chemical & machine shop	125,000	125,000[3]	3	30,000	Palmer Twp.
Transitwrap(N)	Mfrs. plastic sheeting	—	—	30	34,000	L. Nazareth Twp.
United Parcel Service(N)	Distributes packages	995,737 (land cost)	—	329*	140,000	Bethlehem Twp.
		58,266,571	47,306,865	1,866		

KEY

(N) New business in Northampton County
(E) Expansion of existing business
(p) Jobs preserved; (n) New jobs
(Bold face) indicates that NCDC/IDA/IDC assisted with this project.
*New jobs in Northampton County

[1]PA Industrial Development Authority
[2]Apparel Industry Loan Program
[3]PA Capital Loan Fund
[4]L-N Counties Revolving Loan Fund
[5]Northampton Co. IDA
lse indicates lease

PAST PROJECTS

What follows is a list of some of the industrial and business projects that took place in the fiscal years of September 1, 1984 through August 31, 1987. Please note that prior to 1987, NCDC through its financial partners was able to finance both commercial and industrial projects. Since January 1, 1987 only manufacturing and industrial projects meeting certain job creation criteria are eligible for financing. In spite of the changes, NCDC is aggressive in marketing the county to both the service and the manufacturing/industrial sectors through its various services: site selection assistance; coordination of employee recruitment, selection, and training; and business cost comparisons. This service is offered at no cost to the employer. NCDC is supported by both public and private contributions.

September 1, 1986 to August 31, 1987

Project	Project Amount	Building Size (s.f.)	New Jobs	Business Activity
BWC Technologies	N/A	6,400	25	Repair/Service of turbines, air compressors, and related equipment
CPM Energy Systems Corp.	N/A	50,000	30	Mfg. waste-to-fuel pellets
The Guardian	N/A	100,000	400	Insurance provider
Haines & Kibblehouse	N/A	N/A	15	Quarrying operations
Keystone Savings Assn.	N/A	42,250	70	Savings & loan operations
Lehigh Valley Computer Services	Lease	1,800	12	Computer aid design & mfg. of molds for thermoformers
MCS Industries	$550,000	76,608	48	Make frames and photo albums
Micro Diagnostics	Lease	6,900	30	Mfg. medical/diagnostic equip.
Nazareth Nat'l. Bank	Lease	13,000	25	Banking
191 Whitfield Corp.	Lease	42,000	50	Warehouse & distribution
Pfizer, Inc.	N/A	45,900	45	Mineral research center
Premier Dying & Finishing	Lease	38,482	80	Garment Dying
Quiet Core	N/A	50,000	16	Acoustical fiberglass molding for office furniture
Software Consulting Services	N/A	14,000	10	Software consulting and developing
Structural Metal Fabricators	$550,000	21,879	6	Light metal fabrication & mfg.
Third & Brodhead	$3,945,000	58,442	33	Motel operation
Trumbower Sanitation	Lease	15,000	15	Refuse hauling
Ultra Tech Fabricators	Lease	30,000	20	Structural steel fabrication
18 Projects	**$5,046,000**	**510,360**	**930**	

4

September 1, 1985 to August 31, 1986

Project	Project Amount	Building Size (s.f.)	New Jobs	Business Activity
Metropolitan Edison	$28,500,000			Electric generation—pollution control equipment
March Development	3,880,000	30,808	116	Service/commercial office bldg.
MCP Facilities	1,338,586	18,000	18	Powder coating steel products
PPM Technology	2,220,000		35	Acid distillation
Oaks Printing	750,000	4,400	9	Commercial printing
Emery Distributors	537,500	15,000	16	Wholesale distribution of toys, etc.
Fitch Fuel	645,950	15,000	20	Blending and distribution of lubricating oils
Lehigh Consolidated Industries	264,100		21	Mfg. various products - custom parts and assemble trucks
Azar Iron Works	266,000	8,960	226	Fabrication structural steel
VerticalR, Inc.	666,957		30	Mfg. vertical blind fabrics
Paris Accessories	861,367	34,702	60	Mfg. apparel accessories
Joseph Ayers, Inc.	1,182,000	19,084	3	Mfg. aluminum organic chemicals
INPACO, Inc.	275,000		16	Mfg. packing machinery
CoreTech, Inc.	190,800		6	Mfg. tube cutting equipment
Maya Corporation	161,330	204	7	Mfg. molds and core boxes
Advance Associates	1,510,000		109	Light mfg. and warehouse space
Lafayette Inn	588,500		8	Executive guest house
Pocono Independent Paper	498,985		11	Recycle wastepaper, etc.
Moravian Hall Square	14,179,000	186,000	73	Continuing care retirement community
Commonwealth Association	450,000		12	Apparel warehouse and dist.
McLean Packaging/Quality Box Division	804,000	39,450	22	Mfg. paper boxes
Banko & Fassman	219,125	7,200	20	Spec warehouse
Rutt Development	301,115	7,000	30	Mini-mall
D. Theodoredis & Sons	2,800,000	43,000	58	Food dist. & warehouse
J & J Plastics	1,300,000		40	Mfg. store fixtures
Bethlehem Office Assoc. I	3,100,000	76,000	121	Office/warehouse complex
Bethlehem Office Assoc. II	1,700,000	25,600	97	Flex office building
Circle Admin. Services	196,750		20	Sports equipment cleaning & reconditioning
SHR Enterprises, Ltd.	Assignment		250	Mfg. instrument panels for autos
29 Projects	**$68,167,165**	**503,160**	**1,513**	

September 1, 1984 to August 31, 1985

Project	Project Amount	Building Size (s.f.)	New Jobs	Business Activity
Hotel Bethlehem	$3,220,000	116,671	12	Hotel
Marcy Gymnasium	1,330,000	269,004	75	Mfg. & warehouse - gym equipment
Broad St. Business Center	891,000	41,709	112	Office building
Jenkins Machine Shop	180,000	3,825	14	Machine shop
Bangor Lumber Company	235,300	8,470	30	Lumber yard
INPACO, Inc.	571,850	11,000	16	Design & mfg. packaging machinery
Easton Development	3,721,080	89,450	259	Shopping center
I-G Highland Plaza	4,700,080	73,085	150	Office building
BRD Association	131,654	5,500	10	Mfg. control systems - noise & vibration
Thypin Steel	1,750,000	212,000	25	Steel service center - distribute steel
Shagler, Wells, & Brunswick, Inc.	1,132,000	16,086	70	Office building
Banko and Fassman	218,000	7,700	20	Manufacturer - controls
Nazareth Machine Works	86,300	3,600	5	Mfg. and fabricate specialty items
Sleepright, Inc.	340,000	27,500	75	Mfg. bedding and mattresses
Baking Machinery Design Company	450,000	15,400	22	Mfg. bakery and baking related equipment
AccuMachining Center	649,200	32,800	16	Machining and light fabricating
Allegheny Foods	1,154,535	11,375	49	Meat processing and wholesale food sales
Towne Chemical	107,500	5,000	5	Chemicals, machining
Nazareth Building Blocks	230,000	25,000	5	Mfg. cement building blocks
Actionaire Corporation	790,813	24,000	38	Compressed air systems
Historic Hotel Easton	2,443,475	89,496	75	Hotel
Center City Associates	340,000	12,000	33	Office building
Citizens Utilities	4,000,000		6	Water utility
Whitfield Associates		40,000	25	Warehouse and distribution
24 Projects	**$28,672,627**	**1,140,172**	**1,129**	

Mr. SAWYER. Mr. Frassinelli.

STATEMENT OF BRUCE P. FRASSINELLI, MANAGING EDITOR, THE EXPRESS, EASTON, PA

Mr. FRASSINELLI. Thank you very much, Chairman Sawyer, and Congressman Ridge.

Ladies and gentlemen, I'd like to thank you for the opportunity to be able to come here today to talk about a very passionate subject with me. I also would like to thank Ms. Lowenthal for her assistance in helping a rookie such as myself in these large confines. It's a position I didn't expect to find myself in but I come here willingly and I hope that it will have the desired effect.

To E or not to E—that is the question that we have before us today.

If brevity was the soul of wit in Hamlet's time, it is more so today. So let me, ladies and gentlemen, with brevity my goal, tell you the most compelling reason why Easton should be restored to the Metropolitan Statistical Area designation which now includes only Allentown and Bethlehem.

"Tradition." I hope I said that word with the same love and passion that Tevya did in "Fiddler on the Roof" and sang about it, too, for that matter, because tradition is something that does not show up in statistics. Removing Easton from Allentown-Bethlehem-Easton, to me, was akin to a sports statistician striking Chance from the great double play team of Tinker-to-Evers-to-Chance because of a perception that a first baseman, perhaps, did not measure up to a shortstop.

Or, to me, it might have been on a par with a historian sinking the *Santa Maria* from the list of Columbus' ships which made the trip to the New World because Santa Maria was two words while the *Nina* and the *Pinta* were one word.

Or, it could be as if the American Society of Composers, Authors and Publishers decided to list only Peter and Paul—eliminating Mary because her weight was not a certain percentage of the weightiest member of the trio.

Or, perhaps a publisher revising the fairy tale to Winkin and Blinkin—eliminating Nod because it had only one syllable, not two.

Tradition, ladies and gentlemen, deserves a better fate. Certainly guidelines are necessary, but they must be flexible, too. In the policy guidelines that we use at the Express—the newspaper that I'm the editor for—our preamble is a simple one: "Never say never." That's good advice for all policymakers.

When designating this Metropolitan Statistical Area, one must consider the strong geographic cohesion among the three Lehigh Valley cities and the familiarity of the A–B–E designation.

In its official highway map, the Commonwealth of Pennsylvania breaks out the Allentown-Bethlehem-Easton area. If the Commonwealth of Pennsylvania recognizes A–B–E, why can't the Federal Government?

By the way, I have several photographs here which I'll be happy to share with the subcommittee, that points out the map that I'm referring to here, and a few other designations.

Tradition is very important. Consider Easton's long-standing role in our Nation's formative years. On July 8, 1776, as Mayor Panto said, the Declaration of Independence was read publicly at only three locations in the Colonies—Easton was among them.

Consider Easton's strategic location at the forks of two great rivers—the Delaware and the Lehigh, which has made it a prominent industrial and commercial center.

Consider Easton, home of Lafayette College, whose cultural heritage has national prominence and stature.

Consider Easton's visibility as the Northampton County seat of government.

And as illustrious as Easton's past has been, consider Easton in the midst of renaissance and now on the threshold of a new era fueled by a new interstate highway which will open this fall, giving Easton a new sense, a new rebirth.

The Express newspaper, founded in 1855, and the first daily newspaper published in Pennsylvania north of Philadelphia, took up the cudgel to restore Easton to the MSA designation. Nearly 200 of our readers sent letters and cards to join our efforts—and that's a monumental outpouring for a newspaper effort. This is not just signing a petition, this is actually writing something, writing a letter, writing a card, expressing heartfelt feelings.

Community leaders joined in urging the Office of Management and Budget to consider tradition and custom instead of just hard, cold, unyielding rules.

That is what I am just asking of you. Consider Easton's tradition and key role through its glorious 237-year history. Once you do, it will become immediately apparent that Easton belongs with Allentown and Bethlehem just as apple pie belongs with the flag and mom.

Thank you very much.

[The attachments to the statement of Mr. Frassinelli follow:]

THE EXPRESS
EASTON, PA.

JANUARY 16, 1988

Send a message to Washington

JAN 16 1988

Last Saturday in this space we asked you to send a message to Washington: Tell the bureaucrats we want Easton back in the Standard Metropolitan Area designation of A-B-E.

Forty-eight of you responded.

Not bad but hardly overwhelming.

If Congressman Don Ritter drops 48 cards and letters on the desk of an Office of Budget and Management bureaucrat, in addition to being asked, "What's the beef?" he's also likely to be asked, "Where's the beef?"

Easton was dropped from the Standard Metropolitan Area designation in 1983 because of OMB rules that cities included in an SMA designation must have at least one-third the population of the largest city in the grouping. In 1980, the last year of official government population figures, Easton had about one-quarter of Allentown's population.

But this rule is not absolute and there are exceptions in other parts of the country. We feel there is a strong historical and traditional logic for an "Allentown-Bethlehem-Easton" designation.

Every time the government releases statistical information — information used by many businesses, agencies and individuals — it refers to the "Allentown-Bethlehem" area. The numbers reflect the Easton area but the name doesn't.

We want Easton back in this designation, but we can't make a forceful case without your support. We're grateful to the 48 of you who sent cards and letters, but we need many, many more.

We want Don Ritter to deliver so many of your cards and letters that the OMB won't be able to ignore our plea.

If you believe in this cause, please do your bit by sending a card or letter to:

We want Easton back
The Express
Box 391
Easton, Pa. 18044-0391

THE EXPRESS
EASTON, PA.

JANUARY 30, 1988

We want Easton back

The Express is delivering 124 cards and letters to the office of U.S. Rep. Don Ritter. Their message is clear and to the point:

WE WANT EASTON BACK — back into the Standard Metropolitan Area designation of Allentown-Bethlehem-Easton.

The cards and letters are from Express readers who share our outrage and frustration over the decision several years ago by the Office of Management and Budget to eliminate "Easton" from the "Allentown-Bethlehem-Easton" designation in the Standard Metropolitan Area.

JAN 3 0 1988

Easton was dropped from the designation because of a rule that cities included in such a designation must have at least one-third the population of the largest city. Easton has about one-quarter of the population of Allentown.

Ritter has told The Express that he will use any power at his command to persuade or convince the OMB to change its mind. He, as we, feels there is a strong historical and traditional logic for an "Allentown-Bethlehem-Easton" designation and for an exception to the office's arbitrary and capricious ruling.

Your support has been gratifying. Many sent thoughtful letters expressing your annoyance at how Easton has gotten the short end of the stick not only on this score but in other fed vs. us matters. The post office, for instance.

"It is time that our politicians do something positive for Easton," wrote one reader. Putting Easton back into the A-B-E designation will be a start.

Although the redesignation does not affect the name of the Allentown-Bethlehem-Easton Airport, we are concerned, as an aside, that airlines too often forget that it's the "A-B-E International Airport," not the "Allentown Airport." All of us have a partisan responsibility to remind airline employees of this when we hear this erroneous designation.

As for the redesignation, if you want to add your voice, if you want to send your message to Washington on this subject, there's still time. We'll include your plea to Ritter in a second delivery in about a week. So, if you believe in this cause, please do your bit by sending a card or letter to:

We want Easton back
The Express
Box 391
Easton, Pa. 18044-0391

22-838 0 - 89 - 3

THE EXPRESS
EASTON, PA.

FEBRUARY 13, 1988

More add their voices: We want Easton back

FEB 13 1988 City of

Fifty-one additional pleas are going to a federal agency Monday saying "we want Easton back" into the statistical marketing area designation of Allentown-Bethlehem-Easton.

In 1983, the Office of Management and Budget removed "Easton" from the designation, contending that the city had fallen below the minimum population to be listed as one of the cities.

We've asked for your help to restore Easton's name, and the latest 51 cards and letters bring to 175 the number of Express readers who have made their voices heard. In addition, the Easton Rotary Club passed a resolution petitioning, through The Express, the OMB to reinstate the Easton designation. The petition was signed by nearly 50 community and business leaders who are club members.

The petition noted the strong geographic cohesion among the three Lehigh Valley cities and the familiarity of the A-B-E designation. The petition also cited Easton's role in our nation's formative years, its strategic location, long-standing industrial and commercial significance and its visibility as the Northampton County seat of government.

Mr. SAWYER. Thank you very much, Mr. Frassinelli.

Congressman Ritter, I suspect he writes one heck of an editorial, doesn't he?

Mr. RITTER. I tell you, I just hope I never have to face him on a campaign trail.

Mr. SAWYER. I can't help but think as I look at the case that you've made here—particularly when I think of the 200 cards and letters that came in—the question of whether or not the Federal Government is going to recognize Easton, PA, reminds me of the closing courthouse scene in "Miracle on 34th Street," where the judge had to decide whether or not the State of New York was going to recognize Kris Kringle as Santa Claus. And that goes right along with motherhood and apple pie.

Let me ask each of you, and perhaps only one needs to reply. The opportunities to alter the criteria for designation recur from time to time. You mentioned that, in fact, that comment period would be reopened again-and in fact had been opened earlier this year.

Can I assume that you are going to avail yourselves of that opportunity?

Mr. RITTER. Mr. Chairman, I think that is an excellent assumption.

Mr. SAWYER. Do you have any sense of the likelihood of success using current criteria?

Mr. RITTER. My thought is that—with some marginal shift in criteria to reflect some of the non-hard, cold, statistical number-crunching criteria—we will have some reasonable chance at getting redesignation.

I think this subcommittee could be very helpful and we would appreciate the opportunity to work with this subcommittee and its staff, and to work together with OMB to evolve criteria that take into some account, the human element.

Mr. SAWYER. Allentown at this point is the largest city?

Mr. RITTER. Yes, Allentown's population is some 100,000.

Mr. SAWYER. Is Allentown growing or is it——

Mr. RITTER. It's pretty stable. As a matter of fact, which should be very interesting to this subcommittee, is that the fastest growing city in the Lehigh Valley is Easton. And, again, it is a quirk of history that the kind of incorporations that went on between the center city and its boundary areas were somewhat different for Easton than they were with Bethlehem and Allentown. And that more than anything, at the margin, defines the population differences.

Mr. SAWYER. Congressman.

Mr. RIDGE. Mr. Dowd, I think you and some of the other witnesses referred to the fact that there is no hidden agenda. I know that some of the concerns—and I think there are some legitimate concerns—that by setting a precedent here, we may open up Pandora's box and have other communities trying to move in the same direction.

I'm impressed by the information I have concerning the inclusion of Easton because, as I understand it, the mere designation would have literally no pecuniary benefit to any community, any institution. It's unlike what has happened on those rare previous occasions when there has been an adjustment; is that correct?

Mr. DOWD. Our understanding is that there would be no benefit, no financial benefit whatsoever, to any of the municipalities. We're simply looking at changing a name rather than making ourselves available for additional Federal or State funding.

Mr. RIDGE. I was reading a critical article concerning some previous redesignations that had an impact on Medicare reimbursement for some hospitals and things of that sort. But as you take a look at this designation, you are comfortable in saying there is no hidden agenda, that there is no pecuniary benefit to community or organization within this MSA?

Mr. DOWD. I'm absolutely comfortable in saying that. Our data is already there.

Mr. RIDGE. Let me follow on, Mayor, it's kind of interesting to have that kind of broad bipartisan consensus up and down the Lehigh Valley from Republicans and Democrats alike. Clearly, the inclusion of Easton would be of primary benefit to those of you in Easton. It's interesting, not unsurprising that your friends in Bethlehem and Allentown see that they will derive some benefit. I know you would probably be reluctant to explain why they feel so strongly about this issue since the primary benefit would be to the Easton area. But you've overcome those jurisdictional differences to work for a larger cause.

Could you speak kind of briefly as to why your colleagues, your peers, feel as strongly about this as you do?

Mr. PANTO. Very honestly, Congressman Ridge, I think it's because back home we are an A–B–E area. We are only the A–B area in the Federal Government's eyes. In State eyes and in local eyes, we are the A–B–E area. All we're looking for here is some consistency as we go up and down the different levels of bureaucracy in this great country of ours.

They have supported this from the very onslaught when I became Mayor in 1984, one of my goals was to put the E back in the A–B–E, and not just from the Federal designation but I saw the City of Easton needing to play a more key role in the Lehigh Valley.

As I said in my closing statement, that maybe in 1981 or 1982, whenever we were lost from the MSA, maybe we deserved it. But I think we have picked ourselves up by the bootstraps now. I think we are community that's second to none and we deserve the recognition now from the Federal Government as a city in America—which is the lifeblood of our country—who has turned itself around and has become a vital part of the community again from, not just an economic point of view, but I could point out culturally we have artisans moving into our city left and right. We have a $5 million capital budget campaign going on to restore our Performing Art Center at the State theater, where people from Emmaus, Bethlehem, Allentown, and Macungie are coming to our city.

We are, as the Congressman pointed out, a very viable and vital east/west corridor in the State of Pennsylvania. We're just not recognized on the Federal level. On all other levels—I think that's why Mayor Dadone and Mayor Smith have always supported putting the E back in A–B–E.

You get off at the airport, one of the photos here says "Welcome to Lehigh Valley, Allentown-Bethlehem-Easton". The information

that you have in front of you is Lehigh Valley and then on the bottom it says Allentown-Bethlehem-Easton. I have also included advertisements which promote tourism throughout this country and you will see Lehigh Valley, Allentown-Bethlehem-Easton, on every one of those advertisements.

We are, without a doubt, the A-B-E area. All we're looking for today is the Federal recognition of that.

Mr. RIDGE. The argument of yours that the Federal Government should do more than just consider statistics is a compelling one, particularly with the unique history and tradition all along the Valley. Equally compelling, I think, is the fact that these communities seem to work together, unlike a lot of other sectors in Pennsylvania or across the country. I mean, they've set aside, in many instances, some regional differences.

And I think in your collective testimony you've talked about the A-B-E Airport. You've talked about the Solid Waste Authority in trying to merge the interest of all communities. You talk about one school district as one that basically serves the entire community.

Is there any other evidence of that cooperative partnership transcending both political and geographical boundaries that you could share with us? I think in addition to your argument concerning the history and tradition, which is very strong, the fact that the communities themselves work together to solve mutual problems is equally compelling.

Mr. FRASSINELLI. I think one of the things, Congressman Ridge, that is most compelling—and this is another one of the little photographs I have here. It shows a blowup of the telephone book, as Mr. Dowd had pointed out, about the number of businesses that use the designation.

As you well know, businesses, to try to be compelling to potential customers, need a designation that is easily recognizable. And for scores of businesses, A-B-E is a recognizable name. I think that is very compelling.

There are a lot of things that you can't point to on the surface. It's just a way of feeling—a feeling of community within the citizens of this region. They think of themselves as part of that region. And many of the things that they do will prove that—their reliance on the various cities for various types of activities, entertainment; dependency on maybe one city for one type of entertainment, on another—such as our own State theater—for yet another. So there is a feeling of community that is spread throughout this entire region.

Mr. RIDGE. Mr. Dowd, do you care to comment?

Mr. DOWD. Just a couple of thoughts on that. One thing, which has just recently occurred, which indicates a Lehigh Valley-wide identity is the recent development of the Lehigh Valley Red Cross. There had been, in fact, three Red Cross Chapters within the Lehigh Valley, each serving its particular community. For quite some years they've been looking at a merger possibility and today we have a single Lehigh Valley Red Cross.

When you think about the emotion that's attached to the dissolution of institutions which are so closely held in the community, I think that's indicative of a unity across the Lehigh Valley.

Just two others briefly. One in the immediate Easton area. We've done some investigating, and there are five of our seven municipalities, all those who like do have sewers are linked in one wastewater treatment facility. In fact, they own it together.

We went through the Pennsylvania Municipalities Association and they were unaware of any other similar kind of operation. There are many where they share a facility and the owning community then rents capacity. Here's a situation where all five have invested about $10 million in the rehabilitation of a facility in joint ownership. I think that's an indication that these people do work together.

Then, again on the Valley-wide basis, the United Ways of Lehigh County and Northampton County are now joining, or at least joining in their major firm's campaign, and eventually, I believe, will merge as a single A-B-E United Way Program.

Mr. FRASSINELLI. I was just going to add one other element, Congressman Ridge.

Mr. RIDGE. Please do.

Mr. FRASSINELLI. Very often when there are organizations which are wishing to get publicity from the area news media, they often will gather the mayors of the three cities together for a proclamation or some type of photograph. I think that also is a good point on how these organizations feel as the three cities as one group because they want the support of all three. They don't look at Allentown and Bethlehem and ignore Easton, or any other combination—it's all three together.

Mr. DOWD. Just one last thing, and the Congressman reminded me of it, and that is the Lehigh Valley Partnership. That's a unique institution, in which right now there are about 50 top level CEO's representing our entire Lehigh Valley, that meet, I would say, with a 98 percent total attendance. So there is a great deal of dedication to bringing those top level leaders together to address Lehigh Valley issues.

I don't know of many communities that can honestly say that they can, with a phone call, bring the 50 top business leaders and the 7 or 8 top political leaders in a community of our size together and have them there virtually tomorrow morning.

Mr. RITTER. If I might just add to that. We—probably, almost uniquely in the Nation—have a program called Quality Valley: U.S.A. And here again, largely composed of the CEO's and chairmen of the partnerships. We are seeking to accelerate the essence of the quality revolution in the Lehigh Valley so that we have comparative advantage with competing communities all over the country when firms seek to locate somewhere and they know that there is this kind of program providing a kind of social/cultural/attitudinal/educational backup to doing what has to be done to make America competitive globally—quality products and services.

This is also Allentown-Bethlehem-Easton.

One last point, the National Heritage Corridor. The commission that will underpinning this National Heritage Corridor to make the Lehigh and the Delaware—Peter Kostmayer and I collaborate on that—this corridor, the birthplace of the industrial revolution in a sense—the commission will define the future and the management of the corridor is a commission, where I've got to tell you, the

weight of effort and experience on matters river and canal comes from the Easton area, in terms of the population and the names that we submitted to Governor Casey, that Casey will work with the Secretary of the Interior to define—the majority of those names are from the Easton area, even though the corridor runs from one end of the Lehigh Valley to the other.

Mr. RIDGE. I thank you gentlemen for your participation and your answers to my questions.

Mr. SAWYER. I have one more question I'd like to ask.

First of all, just let me mention that I think it's important to recognize that by virtue of the change in the title of the MSA, that in fact, there has been no change in the designation of the MSA, and that all of the statistical force that stands behind it continues to be there.

You are seeking, really, only a recognition in a titular way for the area.

Second, I certainly hope that each of you—perhaps not Congressman Ritter—but certainly those who are charged with communicating on behalf of Easton in particular will reprint the record of this hearing and use it in creative ways to make sure that everybody understands just how much of a vital force in Easton, PA you are.

Finally, let me ask you. Is it your view, Mayor, that given the way that you are projecting growth at this point, that as a product of the 1990 census that you will be, again, even by current standards, returned to the title of the designation?

Mr. PANTO. Let me say, Mr. Chairman, that one of our goals in 1984 was population growth. We utilized a lot of Federal programs to do that, as well as State programs and local initiatives. Population is important to the economic viability of our center city and our commercial districts. Except for the fact that we are under a self-imposed sewer moratorium until our new plant is completed—which should be by the fall of this year—we would have gone over that threshold. At this time, depending on how soon that is up and operating and construction again starts on these 8,000 homes in the Easton area, but for this point of view for this hearing, the 800 in the city, we will go over that threshold.

It's unfortunate that our city has experienced the geopolitical problems, the parochialism of our area is very unfortunate.

I wish I could testify to you today that the relationship between Easton and the other six communities surrounding were as good as they are with Allentown and Bethlehem. I have to tell you that I wish I could testify to that. I can't.

Mr. SAWYER. It's not unique to your community.

Mr. PANTO. But what is unique is that Allentown and Bethlehem do recognize the importance of the City of Easton in the A-B-E corridor. You have to understand that even in our own community we are competitive. Obviously, I'd like to get an industry into Easton rather than Bethlehem or Allentown. But if I can't accommodate them in Easton we always take them to Bethlehem and Allentown. So I think we will reach that threshold.

Mr. SAWYER. In looking at the criteria as they now exist, what specific changes in criteria do you believe could assist in recogniz-

ing this historic relationship that is apart from a statistical measurement but applicable, broadly, across the Nation?

Mr. PANTO. I guess it would be the interpretation of the law passed by Congress. I deal with governmental bureaucrats all day long, too. When a policy is given, they follow it to the letter of the law. That's their job, but I'm not sure that it was the intent. I think the intention of an MSA is to accurately describe a metropolitan area, regardless of the statistics.

If that's the intent of the law, then I think something has to be put into the regulations that it's interpreted by staff to do just that.

I have to tell you, if you only look at statistics, yes, we do fall short by a few thousand people. But those few thousand people do not reflect what really is occurring back in Lehigh Valley. So I would ask that there be some type of interpretive assumption on behalf of the staff to interpret the intent of the law rather than the actual law itself.

Mr. SAWYER. I thank you all very much.

Mr. RITTER. I'd like to, on behalf of my Easton constituents, thank you, Mr. Chairman, and you, Congressman Ridge, for really conducting an excellent hearing.

I've got to tell you, we have all been through a lot of hearings and we've heard a lot of witnesses, but I think our Easton witnesses have done an incredible job. I think it's a tribute to them as individuals but it is also a tribute to their cause, which is extremely powerful.

Thank you very much.

Mr. PANTO. Thank you.

Mr. DOWD. Thank you.

Mr. FRASSINELLI. Thank you.

Mr. SAWYER. At this point I'd like to call our next witness, S.J. Plager, Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget.

Mr. Plager, thank you for your patience this morning. We appreciate the flexibility with which we're conducting this hearing.

Could you introduce your associate for the record, please, sir?

STATEMENT OF S. JAY PLAGER, ADMINISTRATOR, OFFICE OF INFORMATION AND REGULATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET, ACCOMPANIED BY HERMANN HABERMANN, CHIEF, STATISTICAL POLICY OFFICE [OIRA], OMB

Mr. PLAGER. Yes, Mr. Chairman. Thank you for the opportunity to testify today. I've become somewhat used to being considered the Darth Vader of government, but today I feel like the Grinch who stole Christmas.

I'm accompanied this morning by Dr. Hermann Habermann, who is the Chief Statistician of the United States and is actually the Grinch, I just want you to know—I just happened to be there.

Mr. SAWYER. But you're not a bureaucratic Grinch; you are a career professional Grinch; is that correct? [Laughter].

Mr. PLAGER. Yes, sir. I'm glad we have that distinction clear.

Mr. Chairman, with your permission, I will submit my written statement for the record and summarize my remarks briefly here.

I've discussed this particular matter with Director Richard Darman of OMB and I think it should be very clear that we are certainly sympathetic to the desires of the citizens and opinion leaders in Easton and their outstanding Congressmen to give their community the best possible public image.

I'm impressed with the historical heritage of the three communities, as we have heard this morning, and their cooperative interactions, not to mention the implications to the Federal budget if Columbus had only two ships or two names, as the case may have been.

More seriously, I want to say that I am personally quite sympathetic to their concerns. Although I have not had the honor of being a mayor of a municipality, I have been chairman of a municipal planning commission for some period of time and have served in various capacities in local government as well as State and Federal Governments. So I can identify very easily with the concerns that we have heard expressed this morning.

We want to help if we can, and we intend to help, without unduly impacting on the important role that the statistically based MSA criteria play.

In approaching this problem, I believe it's important, Mr. Chairman, that we all understand what is involved. It may seem to the casual observer that there is nothing really at stake here—add Easton back into the name of this MSA where it was back in the 1960s and 1970s and move on.

Regrettably, it is not quite that easy. Your opening statement, Mr. Chairman, I think posed the issues very well. As you noted, Metropolitan Statistical Areas are an important statistical tool used both by government and private industry for a wide range of purposes.

The government designates an MSA on the basis of scientifically defined criteria established through careful processes and published in official government publications. The name by which an MSA is designated is an integral part of that definition, controlled by specific published criteria. The name is an understood shorthand method for describing areas that meet specific criteria.

It is not a political act, and I use the term "political" not in a pejorative way but in a process way. The way in which these criteria are set does not respond to local concerns for public recognition—meritorious, though, that is. It reflects only one fact: Does the particular entity meet the criteria established through this process?

Our concern in OMB is simply this: If exceptions are made by special legislation on a whole range of individual cases to respond to local interests, we will seriously undercut the uniformity and, therefore, the value of this national statistical tool.

Now, does that mean there is no solution to this problem? I suggest, no, it doesn't mean that at all. The criteria by which these designations are made are not cast in stone. They are determined through a process which in a moment I will ask Dr. Habermann to describe a little for us.

If over time the criteria are shown to be obsolete or inappropriate in some way, we are glad to review them and to make appropriate changes in them. We're in the process now of doing just that in

preparation for the 1990 census. As you noted in your comments, Mr. Chairman, we published a notice in 1988 requesting public comment on these criteria and any changes that need to be made.

While it's true the comment period has ended for that notice, we are going to publish a second notice shortly; in fact, it's on my desk for signature and will be out very shortly. I hope the good citizens of Easton will take advantage of the opportunity to raise this issue and to comment on it.

I can assure you and them that we will carefully review the situation.

It should be noted that the Easton case is perhaps unique. It's one where back in the 1950's, Easton was included in the name of the MSA. The change they are asking for is, as we've heard testified to this morning, simply to have the name restored. It does not affect the basic criteria for what is in the MSA or a central city within an MSA. And, as far as we now know, it does not change Easton's qualification under various Federal programs, which are key to the MSA criteria and, thus, does not have any public costs attached to it.

Whether it affects important private sector decisions, as you yourself, Mr. Chairman, noted in your opening comment, is something that I think must be looked into.

I might also note that the testimony suggests that the cure to the problem may already be happening. The testimony about the regrowth of this area suggests that the new census figures may present a dramatic change, but we do not have that information yet and will not have it for some time.

So that we all understand the steps involved, and for the record, I would like, with your permission, to ask Dr. Habermann to briefly describe the process by which these criteria are established and where we are in reexamining them.

Mr. HABERMANN. Thank you, Mr. Chairman.

As Mr. Plager indicated, every 10 years, following the decennial census, the Office of Management and Budget defines Metropolitan Statistical Areas. Before that, however, we engage in a very full and open public process to review and revalidate the criteria that are used in that definition process. We complete that process before the data are collected.

Now, where are we right now? We started the process officially on December 20, 1988, when we published in the Federal Register the existing standards and asked for public comment.

I might add that we didn't only publish it in the Federal Register. We sent notices and talked to the Association of Public Data Users, the American Statistical Association, the Council of Professional Associations on Federal Statistics, Members of Congress and their staffs, and alerted them to this process.

We had a 60-day comment period. We were not asked for any extensions by anybody for that comment period. At the end of the comment period, we had received—and to this date—99 comments. I might add, none of them have to do with this titling question. We have received no suggestions on the titling questions to this date. Incidentally, we had 22 Members of Congress who responded; we had 5 comments from Federal agencies, 23 from State and local agencies, and 49 from the private sector.

What do we do with those comments? One thing we do is we discuss them with the Federal Executive Committee on Metropolitan Statistical Areas. This is a committee composed of Federal Government members. It represents 13 different agencies in the Federal Government. There are 17 members. We take those comments, we have taken them, and we sit down as a group and discuss and we analyze them.

The notice that Mr. Plager referred to is the results of our analysis. What we're going to do is take the results of our analysis, the comments we received, send that back out again and say to the public, "Here is what you sent in, here's what we think about it to this point", and invite further public comment. In fact, we're also going to have a public hearing on this issue in September. We do recognize the importance and the sensitivity to get as much public comment as possible.

That's where we are, and as Mr. Plager says, we have not closed our minds to this issue. We do welcome further comment about the criteria. However, I must confess, to be fair, too, we would like to share those criteria with the public to the extent possible. We haven't talked about it with Mr. Plager, but I would say, if the good folks from Easton have a suggestion, I would offer they not wait until the next comment period. Give it to us as soon as possible so we can discuss it, look at it, and try to deal with it before we send out the next Federal Register notice.

Mr. PLAGER. That was an unauthorized invitation, but I hereby authorize it. I think it's an excellent idea, and we would welcome contributions from the people at Easton, particularly from Congressman Ritter and his staff, to help resolve this issue.

That's all I have, sir.

[The statement of S. Jay Plager follows:]

STATEMENT OF
S. JAY PLAGER
ADMINISTRATOR
OFFICE OF INFORMATION AND REGULATORY AFFAIRS
OFFICE OF MANAGEMENT AND BUDGET
before the
HOUSE SUBCOMMITTEE ON CENSUS AND POPULATION
JUNE 27, 1989

Mr. Chairman and Members of the House Subcommittee on Census and Population:

I am happy to have this opportunity to discuss the role of the Office of Management and Budget (OMB) in establishing and maintaining the standards used to define metropolitan statistical areas (MSAs).

The definitions of MSAs are statistical standards, established administratively by the Director of OMB under the authority provided by the Congress in the Paperwork Reduction Act of 1980 (44 U.S.C. 3504). The Paperwork Reduction Act provision dealing with statistical standards states:

> (d) The statistical policy and coordination functions of the Director shall include--
>
> (4) developing and implementing Government-wide policies, principles, standards, and guidelines concerning statistical collection procedures and methods, statistical data classification, statistical information presentation and dissemination, and such statistical data sources as may be required for the administration of Federal programs.

MSAs are established under this authority for statistical purposes, that is, to enable Federal agencies to collect, process, and publish statistics on metropolitan statistical areas using common definitions of these areas.

There has long been a great interest on the part of government, business, scholars, citizens' organizations, and others in studying various aspects of the metropolitan areas of our country. So that statistical data are collected and published in a way that makes such study possible, OMB's predecessor agency began in the late 1940s (under the Federal Reports Act of 1942) to establish, and require Federal agencies to use for statistical purposes, standard definitions of metropolitan areas, based on a set of carefully-specified statistical criteria. These standards (which relate primarily to population size and density and rates of labor force commuting) are designed to draw consistent distinctions between areas of the country that are "metropolitan" in character and areas that are not.

Analytically useful definitions of MSAs depend both on the content of these criteria and the consistency with which they are applied. The statistical criteria need to be kept constant for a long period of time in order to achieve the greatest usefulness of the MSA definitions.

H.R. 1211 would require the Director of OMB to apply different criteria to Allentown, Bethlehem, and Easton, Pennsylvania, than to all other areas of the country in determining the title of that metropolitan statistical area. It would require the Director of OMB to provide that the official title of the MSA which includes these jurisdictions to be titled "Allentown-Bethlehem-Easton" MSA. The importance of maintaining MSAs as a scientific concept rather than a political act, even as to the criteria for naming an MSA, is graphically noted by Eugene Carlson in The Wall Street Journal of September 22, 1987, in an article titled "What's a Metropolitan Area? Whatever Congress Says It Is." This article states:

> But it's the new trend of creating metro areas by legislative fiat, outside the existing definitions, that's driving data users nuts. Metropolitan areas are the geographic linchpin for analyzing the local economy. Metro statistics are the basis for tracking local unemployment and inflation trends. Retailers use these figures to determine the best new store sites.
>
> "When metro areas become politically instead of statistically defined, they have less and less value," says Mr. Duncan [Chief Economist for Dun & Bradstreet Corporation]. "The average local politician doesn't get that distinction."
>
> "It's a terrible breach of faith with the integrity of the statistical system," says William Hawkes, director of statistical research at A.C. Nielsen Co. in Northbrook, Ill. Congress overriding OMB on a technical definition sends a signal to local activists everywhere, Mr. Hawkes says. "Once the precedent is set, it's open season for anyone else who has financial or prestige gains at stake."

The concept of an MSA

The general concept of a metropolitan statistical area is one of a large population nucleus, together with adjacent communities

that have a high degree of economic and social integration with the nucleus. This general concept has been essentially the same since MSAs were defined in 1950.

The Federal Register notice of January 3, 1980, containing the current MSA standards, provides the following statement about the purpose and concept of MSAs.

> The Metropolitan Statistical Area classification is a statistical standard, developed for use by Federal agencies in the production, analysis, and publication of data on metropolitan areas.... These standards have ... the aim of producing definitions that will be as consistent as possible for all metropolitan statistical areas nationwide....
>
> The titles of metropolitan statistical areas are always based on names of central cities. Up to three cities are included in the title provided they are qualified as central cities and have at least one-third the population of the metropolitan statistical area's largest city....

Appendix A gives the specific statistical criteria used to define MSAs and determine the title of MSAs.

Procedures for establishing MSA standards

The MSA standards are established through an extended process involving public notice and comment. Periodic review of the criteria is necessary to maintain their relevance and to ensure the criteria can be implemented using data that are both pertinent and objectively measurable. As part of the review process, notices are published in the Federal Register, inviting comments on the existing criteria and proposals for change.

The comments and proposals are reviewed by the Federal Executive Committee on Metropolitan Statistical Areas (FECMSA), a committee chaired by OMB and including representatives of 20 Federal agencies that use the MSA definitions for statistical or programmatic purposes. The Committee has existed since 1947. The FECMSA makes recommendations to OMB on the standards, and the final standards are published by OMB in the Federal Register prior to each decennial census.

The regular decennial review of the MSA criteria is now taking place. OMB published a notice in the Federal Register on December 20, 1988, and invited public comment on the criteria. We received 97 comments from Members of Congress, Federal, State, and local governments, and from the private sector. We plan to publish a second Federal Register notice within the next month summarizing the comments received and providing an opportunity for further comments. In addition, we plan to hold a public hearing. Thus, all interested parties that wish to comment on the MSA standards will have the opportunity to do so.

Procedures for defining MSAs

OMB with the advice of the Federal Executive Committee on Metropolitan Statistical Areas applied the current standards to data from the 1980 census to derive the definitions of MSAs. These MSA definitions actually designate the geographic units included in each area. The Census Bureau completed processing

the 1980 census commuting data in the fall of 1982. Using these commuting data and the population estimates, the Committee finished the redefinitions in late spring 1983 in time for OMB to announce the new MSA definitions to take effect on June 30, 1983. The Census Bureau's commuting data of the 1990 census is scheduled to be available in the fall of 1991. OMB expects to be able to release all of the 1990 MSA redefinitions by June 1992.

Each spring, the Committee reviews the Census Bureau's intercensal population estimates, as well as the results of any special censuses that have been conducted by the Census Bureau at the request of (and paid for by) particular localities, to see if there are any new areas that meet the established standards. If there are, OMB announces such MSA changes in June, to take effect June 30.

OMB has announced two title changes since June 1983. In June 1984, the title of Fort Myers, Florida MSA was changed to Fort Myers-Cape Coral, Florida MSA. This change was based on the recognition of Cape Coral as a central city of the Fort Myers MSA after OMB concluded that it met the requirement of being the largest city of the MSA. Fort Myers remained first in the MSA title because the order of central cities in a title is not changed intercensally. In June 1985, West Lafayette, Indiana, was identified as a central city of the Lafayette, Indiana MSA after OMB concluded that West Lafayette met the requirements of a central city. The title was changed to Lafayette-West Lafayette,

Indiana MSA because the population of the central city of West Lafayette was over one-third that of the city of Lafayette.

Requests for changes in criteria

Because the usefulness of the MSA definitions depends upon all MSAs having a minimum set of characteristics that distinguish them from nonmetropolitan areas, OMB has established and followed a policy of denying requests for exceptions to the MSA criteria. OMB has received a number of such requests and nearly all have cited some unique circumstance as warranting an exception. However, to include new dissimilar areas among those areas that have already met the MSA criteria would blur the distinction between MSAs and nonmetropolitan areas and erode the value of the standard by diminishing its consistency and objectivity.

Acceding to a request to make an exception in a statistical standard is not likely to end such requests. Rather, it is likely to engender more requests to make exceptions. Thus instead of resolving one issue, changing standards outside of the established process will sow the seeds for additional requests to OMB and to the Congress to grant exceptions.

H.R. 1211

The MSA standards establish that titles of MSAs may include up to three central cities of the MSA, but any second and third central

cities included in titles must be at least one-third the population size of the largest city, except as noted below. A central city (that does not meet the one-third rule) may still be included in the title if it meets any of the following conditions:

1. It has a population of 250,000.

2. If two contiguous MSAs qualify separately and are combined into one MSA, the largest central city of the smaller MSA is eligible for the title regardless of the one-third requirement.

3. If the MSA includes a Census Bureau-defined urbanized area (UA) in addition to the main UA, and the largest city of the additional UA qualifies as a central city of the MSA, it may be included in the MSA title if local opinion supports the resulting title.

Although Easton is a central city of the Allentown-Bethlehem, Pennsylvania MSA, its name is not included in the title because its population is less than one-third that of Allentown, the largest city. In the 1980 census, the population of Allentown was 103,758 and that of Easton 26,027, 25.1 percent of Allentown's; by 1986, it had grown slightly to 25.4 percent. Easton is located in the same MSA and UA as Allentown and Bethlehem. Therefore, the exceptions to the one-third criterion do not apply to Easton.

If Pennsylvania law permitted Easton to annex areas such as the Borough of Wilson and the Borough of West Easton, Easton could through annexation gain a large enough population to meet the one-third requirement and thus have its name included in the title of the MSA.

MSA titles must be used by Federal agencies for the purpose of publishing statistics for MSAs. Otherwise, areas are completely free to call themselves, and be called, by any chosen name -- for example, to identify Lehigh Valley as the Allentown/Bethlehem/ Easton Corridor.

In the Federal Register that we published on December 20, 1988, we solicited comments on the one-third rule for titles, but did not receive comments from the public on this rule.

Conclusion

The Government has established a process that allows for full and open participation by the public and Federal agencies in the determination of criteria for defining MSAs. Both public and private decisionmakers rely on the maintenance of established statistical standards and definitions to provide consistent data.

The way in which the names of the cities in a particular MSA title are listed may seem like a relatively trivial issue, and certainly not one to get the full weight of OMB concern behind it. Yet the issue of how we establish scientific standards and practices for governmental statistical purposes is not trivial. Certainly if the Congress disagrees with an established statistical standard and wishes to have a different government-wide standard put in place, it has the lawmaking power necessary

to do that. What we feel should not be done is the altering of established standards in a particular case for political or other nonstatistical reasons.

The issues raised by H.R. 1211 are not narrowly-focused nor isolated, but rather take a path that may erode the integrity of the entire statistical system, as well as the usefulness of the MSA definitions.

For these reasons, we oppose H.R. 1211. I hope that you and the Members of your Subcommittee will give serious consideration to this statement of the Administration's position as you deliberate H.R. 1211.

Appendix A

Current metropolitan statistical area criteria

Minimum population size requirements

To qualify for recognition as a metropolitan statistical area, an area must either have a city with a population of 50,000 within its corporate limits or have an urbanized area, as defined by the Census Bureau, of at least 50,000 and a total population of at least 100,000. A few MSAs that do not meet these requirements currently are still recognized because they qualified in the past under the criteria that were in effect at the time of designation.

Central counties

Every MSA has one or more central counties. These are counties in which at least half the population lives in the Census Bureau-defined urbanized area or which contain a central city or a significant portion (with at least 2,500 population) of a central city. Every MSA has at least one central city, usually the largest city. There are specific statistical criteria for determining which cities are central cities.

Outlying counties

In addition to the central counties, an MSA may include one or more outlying counties. Qualification as an outlying county requires a significant level of commuting from the outlying county to the central counties and a specific degree of "metropolitan character." The specific requirements for including an outlying county depend on the level of commuting of its resident workers to the counties designated as central. The specific statistical requirements follow:

1. Counties with a commuting rate of 50 percent or more must have a population density of at least 25 persons per square mile.

2. Counties with a commuting rate of from 40 to 50 percent can qualify if they have a density of at least 35 persons per square mile.

3. Counties with a commuting rate of from 25 to 40 percent qualify if they have a population density of at least 50 persons per square mile or if they have a population density of 35 persons per square mile and meet either one of the following conditions:

   a. At least 35 percent of their population is urban (as classified by the Census Bureau).

   b. At least 5,000, or at least 10 percent, of their population lives in the urbanized area of the MSA.

4. Counties with a commuting rate of from 15 to 25 percent must have a population density of at least 50 persons per square mile and meet two of the following conditions:

   a. The population density is at least 60 persons per square mile.

   b. At least 35 percent of the population is urban.

   c. Population growth between 1970 and 1980 was at least 20 percent.

   d. At least 5,000, or at least 10 percent, of the population lives in the urbanized area of the MSA.

Note: Instead of a 15 percent rate of commuting to the central counties, an outlying county may meet two of the above requirements and qualify if:

   a. The number of persons commuting to work in the outlying county who live in the central counties is at least 15 percent of the number of employed workers living in the county, or

   b. The combined number of workers commuting to and from the central counties is at least 20 percent of the number of employed workers living in the outlying county.

Central cities

1. Every MSA has at least one central city, which is usually the largest city.

2. Any city of at least 250,000 population or at least 100,000 persons working within its limits.

3. Any city of at least 25,000 population that meets the following two commuting requirements:

   a. The city must have at least 75 jobs for each 100 residents who are employed.

   b. No more than 60 percent of the city's resident workers may commute to jobs outside the city limits.

4. Any cities with population between 15,000 and 25,000 that are at least one-third the size of the MSAs largest city and meet the two commuting requirements given in 3a and 3b above.

MSA Titles

1. The titles of MSAs are always based on names of central cities. The title will include the name of the largest central city, and up to two additional names:

   a. The name of each additional city with a population of at least 250,000 or with at least 100,000 persons working within its limits.

   b. The names of additional central cities qualified as central cities provided each is at least one-third as large as the largest central city.

   c. The name of the largest city of any separate area that qualified as an MSA, but was combined with the area being titled.

   d. The name of the largest central city of a second UA if local opinion supports the resulting MSA title.

2. Names of cities will be listed in order of their population according to the most recent national census.

3. In addition to the city names, the title contains the name of each State in which the MSA is located.

Mr. SAWYER. I thank you both very much.

You referred, Mr. Plager, to the variety of private sector uses to which these designations are put. Can you give us some examples?

Mr. PLAGER. With your permission, sir, I would like to defer to, I think, one of your later witnesses this morning, who is much more familiar with that. I'm sorry to say that our focus tends to be on Government uses of these data, and I wouldn't want to talk about something that I'm simply not conversant with.

Mr. SAWYER. Then let me ask the question that I asked earlier. Do you foresee any specific changes in the criteria that are used in establishing the designation, not the MSA itself, but the designation, that would apply specifically to Easton and have more general application across the country that would not do damage to the statistical goals of the designation itself?

Mr. PLAGER. Again, Mr. Chairman, you so well state the issue. I do not have an answer to whether such a criteria is readily available or can be constructed. I hope it can. That, indeed, is the effort I think we need to turn our attention to with the help of the people involved, and with the staff and comments that can come in.

It may be that the way this titling problem has been defined is simply narrower than it needs to be in order to effectively carry out the purposes of these MSA designations.

Mr. SAWYER. Let me be very specific, then. It seems to me that communities like the one we're dealing with today have a communications problem, one that is a product of something over which they have very little control, and that is the flutter at the margin in population figures that occurs. It's not common, and there tends to be trend lines that are followed for longer periods of time. But certainly in communities that are either undergoing minimal population loss, or where the size of the larger community within their area alters, whereas theirs does not, they could remain absolutely stable and experience the kind of statistical flutter that I'm talking about, or in which there is, again, in a nonpejorative sense, a political activity such as annexation that would alter their own size.

Given the diversity of State laws which control particularly the latter, it is difficult, it seems to me, to apply the same criteria to the makeup of the area that you may choose to apply to the title. I was wondering whether, in fact, it might not be possible to consider a different threshold of change, a percentage of change, perhaps, that would drop a community from a title, than one that would define for statistical purposes the makeup of the area in the first place; that, in fact, what we're trying to measure here is the value of an historic designation and, therefore, the temporal flutter that takes place on the margin may not be an accurate reflection of the historical understanding that that community and the rest of the Nation has in defining it.

Mr. PLAGER. Yes, sir, I think your comments are very well made, particularly in a case such as this, where Easton was part of that. We must remember that Easton remains a central city within the MSA, so we are not having to do anything to change that designation. What we're really asking is, does taking their name out of the title somehow contribute to a better understanding of the statistical significance of MSAs. It's hard to imagine that it does.

Mr. SAWYER. Or, in fact, perhaps distort it in a way that is unintended.

Mr. PLAGER. Yes. I think all of those points are well made and that is exactly what we need to look at. We want to look at it, and we hope we'll have the help of the citizens and the leadership in Easton and, of course, of this committee in helping us look at that.

Mr. SAWYER. Of course, that's why we're glad to have career professionals involved in this process.

Mr. Ridge.

Mr. RIDGE. I just have a couple of brief questions, if I might.

In your testimony you explained the historic concept of a Metropolitan Statistical Area as one with a large population nucleus, together with adjacent communities that have a high degree of economic and social integration with the nucleus. That's the generic understanding that we've had for 30 or 40 years.

It seems that the community of Easton and its longstanding social and economic relationship with the communities of Allentown and Bethlehem, not only historically but today, with an airport, water authority, many philanthropic and charitable organizations up and down the valley, the nexus between those communities is not only statistical but perhaps, even more importantly, economic and social.

Am I to understand that you, in trying to apply the proscription of Congress, are not presently in a position, outside of reviewing statistical data, to take into consideration these long-term historic and social ties?

Mr. PLAGER. Yes, sir, you do understand that. What we have done in the definition of MSAs, Mr. Ridge, is historically to try to tie it into empirically determined, objective criteria as best we could, because it is basically a demographic concept and it's used in that way. Admittedly, there are various adjustments that have to be built in, and those are built in, but they are very largely demographically-defined adjustments. To my knowledge—I'll ask Dr. Habermann for confirmation or correction—to my knowledge, we do not have built into that system a judgment call, if you will, about historical affinity. Now, perhaps we should. Properly constrained and properly defined, it may well be that we should be contemplating those kinds of considerations.

The underlying problem is not the problem of putting Easton back into the name of that MSA. If that were all that was involved, I would raise my hand and say "Done". The problem, you see, is that these demographic criteria are uniform national criteria, used widely by Government, depended on widely by private interests, to be honest, straightforward, and nontamperable. Frankly, to the extent that efforts are made by the Congress to do local favors through legislation to change specific provisions, we begin a process—and it has happened, as you may know.

There are some proposals to do it again where significant economic effects are involved. Once that begins, there is no reason why every community, every mayor, every whoever, shouldn't have the same opportunity that somebody else has to get these benefits.

That is not the case here. Here we have a technical name problem, and I think it should be dealt with. We have to address it as such. But we have to deal with it in a way that does not open the

door to all of these other problems, which could seriously degrade an important Government function. That's why I think historically we haven't had a variable like historical affinity.

Am I correct about that?

Mr. HABERMANN. Well, in the designated——

Mr. RIDGE. I might add, just as caveat, it is not only historical—although if you live in the valley, people think in terms of the entire region along the Lehigh River and consider the Lehigh Valley which is always included, even for those of us in western Pennsylvania—but when you think of the valley, it's A–B–E, Allentown, Bethlehem, and Easton. When you say that it has an important impact on people on the outside taking a look at that demographic data and how they relate to that community, the Commonwealth of Pennsylvania itself looks to it as A–B–E. The people in the community look to it as A–B–E, and people outside the area look to it as A–B–E. The only people right now who don't look to it in that fashion, not only for historical reasons but for economic reasons, is the Federal Government. So, please, not only just the history, but the economics of the region are tied together as well.

Mr. PLAGER. Let me just make one comment, and that is, it is not the Federal Government that doesn't look at A–B–E as A–B–E. If you ask me as a Federal official do I acknowledge A–B–E, I certainly do. The one place it does not appear is in the statistically determined title to that particular MSA. It's a much narrower problem.

Mr. RIDGE. Doctor, would you please comment?

Mr. HABERMANN. For very, very large MSA's, which have the possibility of having so-called PMSA's, we do solicit, on titling issues, local opinion through the congressional delegations, which do get at affinities and how areas think of themselves. That kind of local opinion is not currently in the standard for the name of an MSA, and that's part of the difficulty here, what you're getting at, Congressman. For this particular name, there are very specific criteria in the current standards.

Mr. RIDGE. I want to conclude. I would just comment that I think my colleague, Mr. Sawyer, alluded to the potential development of different criteria for the MSA, and the title designation I think is very, very important.

I might add, however, that I am hopeful, since you have been generous enough with your comments to say that you do want to help—and I truly believe that you do—that given the unique circumstances surrounding these particular communities, we will be able to accommodate the interests of the people who live in these communities before the completion of the census. I mean, we may be looking to it, but it is still 4 or 5 years down the road. If there's a way that we can be helpful, so that you can be helpful to those folks, we would like to do that as well, at least I would. I dare not speak for any other Member of Congress, except Don Ritter, and on this one I'm comfortable that we speak of one mind. As a matter of fact, when you said you would raise your hand and do it now, he wanted you to stop right there, but we had to let you continue. [Laughter.]

Thank you, Mr. Chairman.

Mr. SAWYER. Thank you very much.

Mr. PLAGER. Thank you, sir.

Mr. SAWYER. Let me call our last witness, then, Mr. Edward J. Spar, president, Market Statistics. Welcome, Mr. Spar.

STATEMENT OF EDWARD J. SPAR, PRESIDENT, MARKET STATISTICS, A DIVISION OF BILL COMMUNICATIONS

Mr. SPAR. Thank you. Good morning, Mr. Chairman, and Congressman Ridge. Good morning, ladies. Thank you for the opportunity to appear before you today.

As president of Market Statistics, a division of Bill Communications, I have been involved with the private sector uses of metropolitan areas for over 18 years.

As background, we are the producers of the Survey of Buying Power, a compendium of demographic and socio-economic data. This book reaches nearly 70,000 marketing, sales and advertising analysts around the United States. We are also demographic consultants to hundreds of major manufacturing and media research corporations.

With your permission, Mr. Chairman, I would like to leave a copy of the "Survey of Buying Power" with the committee.

Mr. SAWYER. Thank you.

Mr. SPAR. The Metropolitan Statistical Area is one of the most important geographic entities used by the private sector. Corporations use MSA's as building blocks for their sales territories. Advertising agencies allocate advertising dollars for radio and print media as a function of the number of households in MSA's. Newspapers often designate MSA's as their area of coverage. The sales managers of thousands of companies determine the performance of their sales people by comparing actual sales in the MSA against the relative buying power of the MSA's in which the sales person sells. The examples of the importance of the MSA in the private sector are endless, and as you can see, for these uses to be of value, there is the critical need for consistency which enables the user to compare one area to another.

This is my second opportunity to testify before this subcommittee on the subject of metropolitan areas, basically reviewing the same issue; namely, the importance of standards which ensure comparability. One could argue that there is little harm done by simply making an exception to the accepted standards as designated by OMB, and just add the city of Easton to the Allentown-Bethlehem Metropolitan Statistical Area title. Indeed, they are a designated central city, as we've heard. Unfortunately, with all due respect again for Easton, the issue isn't so much about Easton as it is about the need to maintain consistency.

Once OMB, in cooperation with both public and private sectors, determines the final standards, then it is essential to work within that framework until such time as there is an opportunity to amend the standards. Unless this is strictly adhered to, we will no longer have a set of areas which can be used to make reliable comparisons. Instead, we will have areas based upon no justifiable rationale which will receive funding or recognition, while other areas of similar characteristics will not, due to no fault of their own, receive the benefits of recognition.

We believe so strongly in this need for adherence to standards that in two cases, where areas have been delineated as a function of legislation, we, in our publications, have not included them at all. This was not done out of disrespect or arrogance. It was our belief that by leaving these areas out, we ensured users that the list of areas they were working with would be comparable.

Again, with all due respect for the city of Easton, there is, unfortunately, no justifiable reason to add Easton to the title. Although one could argue that the present standards with regard to titles are arbitrary—and I would agree—I must also point out that many of the rules and regulations are, indeed, arbitrary.

This is acceptable as long as these rules meet the needed objectives, and this is certainly the case with these titling rules, which as best I could tell go back to 1949 and were developed to enable the user to make meaningful comparisons.

Easton got into the title in the area in 1950 by meeting the criteria. The key rule here requires, as we've heard, that the city must be at least one-third the size of the largest city. In 1950 they met this criterion with a percentage of 33.4 percent. By 1960, they had dropped below the required threshold. We have not been able to ascertain why Easton remained in the title at that time. In 1970, we suspect through grandfathering, they again remained in the title, even though they did not meet the required criteria.

With the new standards of 1980, those areas which had been grandfathered one way or another, and no longer met the 1980 criteria, were removed from the list and comparable areas in terms of geographic area and titles were finally developed.

Although it is obvious that the designation of areas based upon accepted criteria is of the utmost importance, and that it is not a good idea to legislate areas unless some demonstrated injustice has taken place, one could ask if this degree of rigidity should also appertain to the titling process.

Obviously, I believe the answer is yes. The purpose of having cities in the title is not to honor them, but to give the user of the information a means with which to understand the type of area they are working with and thereby enabling them to make reasonable and meaningful comparisons. In this vein, it makes no sense to have an area titled New York-White Plains. Even though White Plains is a designated central city, the addition of the name does nothing to aid in the description in terms of size or type of area. And even though, as mentioned before, Kent and Barberton are designated central cities in the Akron MSA—and by the way, as an aside, I also note that those two cities are almost exactly the size of Easton—it does not make much sense in having the area labeled Akron-Kent-Barberton. The city of Akron, by itself, best describes and aides in our understanding of the area.

Does this mean that the city of Easton should just go away and not bother any more? My answer to that is: certainly not. There are two recourses that I see. First, Easton might look into the possibility of consolidation with the suburbs of West Easton and Wilson. By adding these two areas to Easton, they might then reach the one-third threshold rule.

Second, Easton may have the opportunity, as we have mentioned already, to be added to the title of the area within the framework

of the standards. This is due to the fact that OMB is at this time reviewing the standards and they are asking those who have an interest to come forward.

This is a good example of where the system works. The Chief Statistician has made it quite clear that all suggestions are welcome and will be reviewed. What is needed on the part of Easton is to have as well thought out rationale for making a revision to the criteria. All well-reasoned suggestions I am sure will be taken seriously. I have no doubt that OMB will give them a fair hearing.

What is most important here is that the city of Easton, or any other area or organization, will have worked within the system. Without doing this, the metropolitan concept will eventually fall apart.

Thank you, sir.

Mr. SAWYER. Thank you very much, Mr. Spar.

Could you suggest, during that period of time when Easton fell below the standard, what kind of damage may have been done to the statistical process by leaving Easton in the title, at a time when it might, by the standards we're suggesting today, might more appropriately have been dropped from the title?

Mr. SPAR. Again, my response now has to be from the private sector point of view. I don't believe there would be any harm done economically, one way or the other. In most of the work that we do with local cities, the ability to get the information out, in terms of the viability and strength of the city, is very much a function of the chamber of commerce, the local planning commission, the mayor's office.

Certainly it's very nice to have something in a title. No one can possibly deny that, whether it's a metropolitan area or a television area of dominant influence, any of those, it's nice to have. From an economic point of view, though, in cases that I have been involved in, the decision-making process on the part of industry is not driven by the name of a city within an area.

Mr. SAWYER. Again, let me rephrase the question.

You point to the importance of the arbitrary character of the standards for the sake of consistency. If you can't point out damage that is done by not adhering to it, what is the mirror image of that? What benefit is derived from, today, dropping Easton from that standard, or other similarly situated communities throughout the Nation?

Mr. SPAR. Actually, in my opinion, I don't think the issue is one of Easton, because I don't think that is where the problem lies. I think the problem lies in this continual erosion of standards. I don't believe that it would stop there. We always have the continuing look, the view that there's going to be some more legislation for another area.

So if I'm answering your question properly, to me the issue is not Easton. The issue is one of standards.

Mr. SAWYER. Then let me stop mentioning Easton and put the question in another way. We're speaking about a need for consistency in the standards, and I subscribe to that as strongly as I can possibly state here.

But, then, what kind of consistency is served when a community flutters in and out of a title every 10 years? What kind of consist-

ency does that yield when it is a product not of any understanding or potential use of the data derived from the title but, rather, requires a redefinition in titular terms every 10 years?

Mr. SPAR. That's a good question. Easton did not go in and out, that sort of situation. It went out.

Mr. SAWYER. Only because the standards might not have been adhered to. It conceivably will be back in in 1992 as a product of the data that's developed in 1990.

Mr. SPAR. Well, that would be fine. That means also hopefully that all the other Metropolitan Statistical Areas will also be shifted relevant to that also. Then I don't see any problem with that. But if you put Easton in alone without thinking of the other areas, that's where I see the problem.

Easton was in certainly between 1960 and 1980, also, but at that time there were a lot of other areas that were in but were in from a grandfathering point of view. What had happened by 1980 is that you were really not quite sure why a certain area was in. There was an extraordinarily important need for the revision of the criteria in 1980. Once that was done, grandfathering came to an end. Also, hopefully, the idea of consistency became the paramount issue. So if there were changes—let's say there were changes as a function of new criteria—well, fine, then we're going to adhere to a new set of criteria. No one has a problem with that, because that means everybody is still on the same basis.

I don't have a problem with change, as long as the change is equal for everybody, as long as I——

Mr. SAWYER. Let me reiterate the criteria by which I'm posing the question.

I used Easton only because it is an example of convenience today. I'm trying to get at the question of flutter that occurs, perhaps not in many communities across the country, but where it occurs, it creates an apparent inconsistency, where we're seeking consistency. The question perhaps then comes about another way.

How does a potential user, seeking consistency and understanding, distinguish between two MSA's, one where the title has changed for criteria purposes, and one where the composition has changed; where the names look exactly alike but the character of the two areas would be so profoundly different, one perhaps where a community had grown so much that it made its own MSA, whereas another had fallen marginally and thereby fell out of the title?

Mr. SPAR. I have the problem that all statisticians face, which is if you hit the margin, is that fair to an area when it's gone along for so many years.

Mr. SAWYER. It's not even a question of fair. Is the title consistently usable between those two very, very different circumstances that appear the same as a product of the title?

Mr. SPAR. I think they are. I think they're usable so long as everybody understands what rules we're dealing with. I don't have the exact number, but there are approximately 70 cities that are central cities, but they're not in the title. At what point do all these 70 cities say "well, we're intrinsic to this area"? I don't know the answer to that. Some of them may be; some of them may not

be. Each one of them should be looked at individually. At that point, what I would say is again, this is what we have criteria for.

On the other hand, if you have an area—Clearwater is a good example, Clearwater, FL. Clearwater went into the title in the mid-eighties, into Tampa-St. Petersburg. What happened was the population increased. That's a good example of where the criteria worked. The structure changed and now the area deserved to be in there. It was put in there properly. So again, it was an adherence to the system.

Mr. SAWYER. Let me take an entirely theoretical example but use the names of cities that we'll be familiar with. Let me use Allentown-Bethlehem-Easton, where Easton disappears from the title, where we understand this to have occurred because Easton fell a few thousand or perhaps even a few hundred below the threshold, using a consistent application of the standard for a title. And we find another pair of cities, St. Petersburg and Tampa, where St. Petersburg grows beyond all expectation and becomes an MSA in its own right, and disappears from the Tampa title.

How do I distinguish between Tampa and Allentown-Bethlehem? Where is the consistency in the application?

Mr. SPAR. Let's use this example that Tampa has decided that it wants to be on its own, and let's also hypothesize that based upon the criteria—let's push our logic out—that it could do that—and this is the point you're trying to make—and now you're saying how am I going to compare Tampa to that A-B-E, if you would——

Mr. SAWYER. Or A-B now.

Mr. SPAR. Well, let's assume that E goes in——

Mr. SAWYER. No, no, let's not. Let's assume that the E is out in A-B-E, and the SP is out in TSP. How do I distinguish between the SP that fell out on the one hand, for one reason, and the E that fell out on the other hand for a completely separate reason?

Mr. SPAR. I guess—I don't want to play with words, but it's the concept of "fall out". In the case of Tampa, they got so big that the criteria was such that they were——

Mr. SAWYER. No, no. St. Petersburg got so big.

Mr. SPAR. Or St. Petersburg got so big. For that to happen, I think what you would find would be a situation of a consolidated area, and under the consolidated area situation, you would find Tampa as what is called the PMSA, and you would find St. Petersburg perhaps as a PMSA. That would be how this would work.

If they were out on their own because they had gotten that large, then the recognition is there. Then when people are looking at, say, a ranking table—in the private sector we live by ranking tables—simplistically people take a line and they put it under the top 100, and they would simply have, by the nature of that size, recognition. I would not see that as a problem.

In other words, Allentown-Bethlehem, which is a recognized area, would now be looked at within the same light as Tampa or St. Petersburg, your example, because St. Petersburg has grown to that. That's the whole purpose of the system, that it makes it easy for us to compare.

Mr. SAWYER. And you're presuming that the growth of a city in such monumental fashion would be recognized in its own right without having a title?

Mr. SPAR. There's no question that it would.

Mr. SAWYER. Let me ask one final question, and that is, given that there is an historical value in consistent titling of areas, is it appropriate that there be the same threshold for the inclusion as there be for the removal?

Let me just give another hypothetical example. If it makes sense to have Easton included in the title at one-third, for the sake of consistent titling over time, would it make sense to drop them out, and every other city similarly situated across the country at 25; percent so that there be consistent nomenclature for a city situated like Easton?

To be returned, however, it would have to achieve that same one-third that it took to get into it in the first place, thereby, producing a margin of consistent nomenclature over time.

Mr. SPAR. That's a very good suggestion. As I had mentioned, the rules are arbitrary.

Mr. SAWYER. Yes.

Mr. SPAR. To protect small areas as long as it's in the criteria, I think your suggestion is fine. Of course, it's up to OMB.

Mr. SAWYER. What I'm really trying to get at is—from a private sector point of view and the range of applications for which these titles are used—does that kind of consistency provide a useful alternative to the kind of flutter——

Mr. SPAR. Absolutely, because it's going to happen to all areas across the board. So long as that happens consistently and an area is protected, the private sector has no problem with that whatsoever. We're delighted to go by whatever rules the Federal Government gives us, and I think your suggestion is a fine one.

Mr. SAWYER. Thank you very much. You've been very helpful.

Mr. SPAR. Thank you.

Mr. SAWYER. Mr. Ridge.

Mr. RIDGE. Thank you, Mr. Chairman.

I think it's an interesting comment that you've made, distinguishing between the criteria for designation and the separate criteria for the elimination of the name from the designation, which would—as long as we are consistent from the statistician's point of view and for the predictability and certainty of the demographic data—allow for the flutter that you referred to. I think it's a very positive suggestion.

I just have one question.

Do you believe that a potential business looking at this section in Pennsylvania, using the MSA statistics, would be misled today by a reference to Easton in the title? Would that in any way mislead anybody about the nature of the area?

Mr. SPAR. Certainly not.

Mr. RIDGE. It wouldn't do any mischief, would it?

Mr. SPAR. Oh, I feel sure it wouldn't do any mischief at all.

Mr. RIDGE. I have no further questions.

Mr. SAWYER. Thank you very much.

Mr. SPAR. Thank you, sir.

Mr. SAWYER. If there's no more business to come before the committee, that will conclude the hearing today.

[Whereupon, at 11:50 a.m., the subcommittee was adjourned.]

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